

**Annual Report  
of the  
Supplemental  
Security  
Income Program**

**Social Security Administration  
2014**





## SOCIAL SECURITY

The Commissioner

August 22, 2014

President Barack H. Obama  
The White House  
Washington, DC 20500

Dear Mr. President:

It is my pleasure to submit to you the 2014 *Annual Report of the Supplemental Security Income Program* (the 18<sup>th</sup> such report). We prepare this report in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

I am also sending this report to Vice President Biden and Congressman Boehner. If you have any questions regarding this report, your staff may contact Scott Frey, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030 or at [Scott.Frey@ssa.gov](mailto:Scott.Frey@ssa.gov).

Sincerely,

Carolyn W. Colvin  
Acting Commissioner

Enclosure





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August 22, 2014

The Honorable Joseph R. Biden, Jr.  
President of the Senate  
Washington, DC 20510

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August 22, 2014

The Honorable John A. Boehner  
Speaker of the House of Representatives  
Washington, DC 20515

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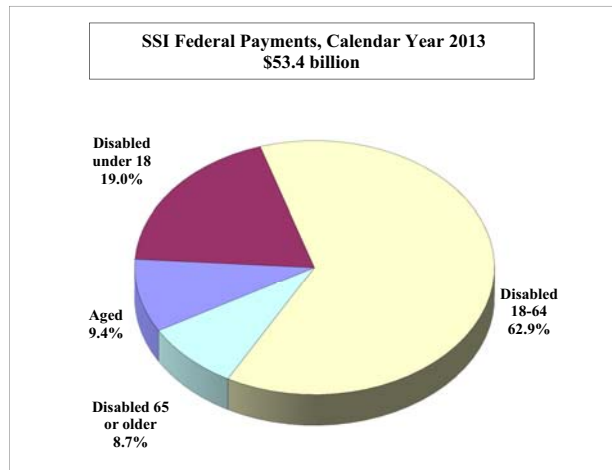


## EXECUTIVE SUMMARY

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) directs the Social Security Administration (SSA) to report annually to the President and to the Congress on the status of the Supplemental Security Income (SSI) program. Projections of program recipients and costs through at least 25 years are required elements of these reports. This report is the 18<sup>th</sup> of such reports.

### Highlights of the SSI Program

- The SSI program is a nationwide Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or disabled individuals. It acts as a safety net for individuals who have limited resources and little or no Social Security or other income.
- In January 2014, 8.15 million individuals received monthly Federal SSI payments averaging \$516, a small increase of 75 thousand recipients over the 8.07 million recipients with an average payment of \$507 in January 2013.
- Federal expenditures for cash payments under the SSI program during calendar year 2013 increased 3.3 percent to \$53.4 billion, while the funds made available to administer the SSI program in fiscal year 2013 decreased 1.8 percent to \$3.8 billion. In 2012, the corresponding program and administrative expenditures were \$51.7 billion and \$3.9 billion, respectively.



### Major Findings of the Report

- By 2038, the end of the 25-year projection period, we estimate that the Federal SSI recipient population will reach 9.2 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population, though the growth in the SSI recipient population is projected to be somewhat slower than the growth in the U.S. population.
- As a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly from 2.51 percent in 2012 to 2.52 percent in 2013. We project this percentage to gradually decline throughout the 25-year projection period, reaching 2.35 percent of the population in 2038.
- We estimate that Federal expenditures for SSI payments in calendar year 2014 will increase by \$1.2 billion to \$54.6 billion, an increase of 2.3 percent from 2013 levels.
- In dollars adjusted by the Consumer Price Index to 2014 levels, we project that Federal expenditures for SSI payments will increase to \$61.2 billion in 2038, a real increase of 0.5 percent per year.
- Federal SSI expenditures expressed as a percentage of the Gross Domestic Product (GDP) were 0.32 percent in 2013. We project that expenditures as a percentage of GDP will decrease to 0.31 percent of GDP in 2014, and continue to decline thereafter to 0.22 percent of GDP by 2038.



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## I. INTRODUCTION

Congress established the Supplemental Security Income (SSI) program in 1972 by amending the Social Security Act (Act) to include title XVI, with payments beginning in 1974. The Social Security Administration (SSA) administers the program. SSI replaced the former Federal-State programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled in the 50 States and the District of Columbia. Residents of the Northern Mariana Islands became eligible for SSI in January 1978.

In 2014, the SSI program provides a monthly Federal cash payment of \$721 (\$1,082 for a couple if both members are eligible) for an eligible person living in his or her own household and having no other countable income. Since 1975, these Federal SSI benefit rates have increased with the same cost-of-living adjustment applied to benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program. In addition to setting a Federal benefit standard, the legislation establishing SSI also permitted individual States to supplement the Federal payment with an additional monthly amount. As described in section III.G, these State supplementation payments can be either voluntary at the option of the individual States or, in certain cases, mandatory under requirements in effect when the SSI program began.

Under section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, SSA must submit a report on the SSI program to the President and Congress no later than May 30 of each year.<sup>1</sup> This is the 18<sup>th</sup> annual report on the SSI program. The legislative mandate requires that the report include:

- A comprehensive description of the SSI program;
- Historical and current data relating to: (1) claims intake and dispositions at all levels of decision making; (2) demographic information about recipients, including program cost and prior enrollment in other public benefit programs; (3) redeterminations, continuing disability reviews, and utilization of work incentives; (4) administrative costs; and (5) State supplementation program operations;
- 25-year projections of future recipients and program costs;
- A historical summary of statutory changes to title XVI of the Act; and
- Summaries of any relevant research on the SSI program by SSA or others.

In addition, the legislation specified that the report may include views of the SSI program by the Social Security Advisory Board.

Much of the required information is the subject of extensive ongoing research. In responding to each of the specific requests for information, every effort has been made to provide the best information available at this time. SSA will continue to make improvements upon such information in order to help the President and Congress effectively manage this important part of our social safety net.

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<sup>1</sup> The SSI Annual Report projections in Chapter IV use demographic and economic projections from the 2014 *Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* and, as a result, could not be released until that report was published. The 2014 Trustees Report was published on July 28, 2014.

## II. HIGHLIGHTS

The SSI program is a nationwide Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or disabled individuals. This section presents highlights of recent SSI program experience, a summary of important changes to the program in the last year, a discussion of current issues facing the SSI program, and a summary of the key results from the 25-year projections.

### A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- During calendar year 2013, 2.1 million individuals applied for SSI benefits based on blindness or disability, a decrease of 10 percent from 2012. Additionally, 148 thousand individuals applied for SSI benefits based on age, an increase of 1 percent as compared to the 147 thousand who applied in 2012. In 2013, 918 thousand applicants became new recipients of SSI benefits, a decrease of 6 percent as compared to the 973 thousand who became new recipients in 2012.
- Each month on average during calendar year 2013, 8.1 million individuals received Federal SSI benefits. This group was composed of 1.1 million aged recipients and 7.0 million blind or disabled recipients, of which 65 thousand were blind. Of these 7.0 million blind or disabled recipients, 1.3 million were under age 18, and 0.9 million were aged 65 or older. During the year, 9.1 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit.
- Federal expenditures for payments under the SSI program in calendar year 2013 totaled \$53.4 billion, up from \$51.7 billion in 2012.
- Each month on average during calendar year 2013, 2.2 million individuals received federally administered State supplementation payments. This group was composed of 0.5 million aged recipients, 1.7 million disabled recipients, and fewer than 50 thousand blind recipients. During calendar year 2013, 2.5 million individuals received at least 1 month's federally administered State supplementation payment.
- The recent decline in State expenditures for federally administered supplements, excluding fees for administration, slowed down considerably in 2013 with State expenditures remaining at \$3.3 billion, roughly the same level as in 2012.
- The percentage of SSI recipients receiving their benefits electronically increased from 83 percent in fiscal year 2012 to 94 percent in fiscal year 2013. SSI recipient participation in direct deposit increased gradually in the 2000's after experiencing a period of sharp growth when it more than doubled from 24 percent in 1995 to 49 percent in 2000. Electronic receipt of benefits again increased significantly in 2013 and is expected to continue to increase somewhat in the next year as most SSI recipients must receive their benefit payments by direct deposit, the Direct Express® debit card, or an electronic transfer account.
- The cost of administering the SSI program in fiscal year 2013 was \$3.8 billion, which was roughly 7 percent of total federally administered SSI expenditures.
- In January 2014, 8.4 million individuals received federally administered monthly SSI benefits averaging \$535. Of these, 8.1 million received monthly Federal SSI payments averaging \$516, and 2.2 million received monthly State supplementation payments averaging \$122.

## ***B. SSI LEGISLATION SINCE THE 2013 ANNUAL REPORT***

Since we submitted the *2013 Annual Report of the Supplemental Security Income Program* to the President and Congress on June 20, 2013, there have been no legislative changes made to the SSI program.

### ***C. CURRENT ISSUES FACING THE SSI PROGRAM***

With this edition of the SSI Annual Report, we recognize the 40th anniversary of the SSI program, acknowledging the enduring legacy of a nationwide cash assistance plan that has meant the difference between poverty and security for millions of Americans. When President Richard Nixon signed the SSI program into law on October 30, 1972, he effectively replaced a variety of State programs providing varying levels of income support for the aged, blind, and disabled, with a national system that provided means-tested, standardized cash payments. Upon SSI's implementation in January 1974, these most vulnerable individuals found themselves for the first time on equal footing—eligible for the same means-tested benefit based upon the same qualifications, regardless of the State in which they lived.

Today, more than four decades later, the SSI program continues to provide a safety net for the neediest of aged, blind, and disabled Americans. These individuals frequently have nowhere else to turn, and rely on the cash assistance provided by SSI for their basic needs of food, clothing, and shelter. Because the program plays such a crucial role in the lives of over 8 million Americans, we have an ongoing obligation to promote its effective administration and to ensure SSI payments are paid accurately to the right person at the right time.

#### **Program Integrity Work**

SSI is funded from general revenues. SSA is committed to protecting taxpayer dollars, and we strive to maintain the public's trust by ensuring effective stewardship of program dollars and administrative resources. This work involves our efforts to prevent improper payments – including both overpayments and underpayments – at all stages of program administration, from the initial application to the assessment of continuing eligibility, and when improper payments are made, to correct or recover them as soon as possible.

As SSI is a means-tested program, individuals must have income and resources (i.e., assets) below specified levels to be eligible for benefits. Accordingly, we need to be able to determine the income and resources of recipients on an ongoing basis. Our vital program integrity work supplements recipients' reports of changing circumstances, helping ensure that only those persons eligible for benefits continue to receive them.

One of our most valuable tools used to accomplish this goal is the SSI redetermination process. During the redetermination, we review all the nonmedical criteria for eligibility, including living arrangements, and income and asset levels. In fiscal year 2013, we completed 2.6 million redeterminations. We use a statistical model to select many of the cases that are reviewed, selecting those that are most likely to have undergone a change in circumstances potentially affecting eligibility or payment amount.

In our efforts to accurately pay benefits, we also conduct continuing disability reviews (CDR). CDRs are periodic reviews of a recipient's medical impairment to determine if he or she is still disabled according to agency rules. We conduct two types of reviews as part of the CDR process: full medical reviews and mailers. A full medical CDR requires a medical evaluation and disability determination by our disability determination services (DDS) examiners. Generally, the cases with the highest likelihood of medical improvement receive a full medical review, whereas, the remaining cases due for review receive a mailer

## Highlights

requesting updates on their impairments, medical treatment, and work activities. In fiscal year 2013, we completed 429,000 full medical CDRs.<sup>1</sup>

### Advances in Program Integrity Methods

As we review recipient eligibility, we rely on emerging technology to support our efforts. For example, the Access to Financial Institutions (AFI) initiative is one of our most useful tools to detect improper payments caused by excess resources held in financial accounts. AFI is an alternative to the traditional SSI asset verification practices of beneficiary self-reporting and direct contact with financial institutions. We use AFI to identify excess resources in bank accounts of SSI applicants and recipients by electronically checking for known and potentially unreported accounts directly with the financial institution. This process has proven very cost effective and useful in identifying undisclosed accounts. Currently, we use AFI in processing SSI initial claims and redeterminations in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

Another very important tool we use to reduce improper payments is the SSI Telephone Wage Reporting System (SSITWR). SSITWR is an automated, toll-free telephone number that allows beneficiaries, deemors (i.e., spouses or parents whose income and resources are considered in determining SSI eligibility and payment amount), and representative payees to report wages by calling in and using either voice-recognition or touch-tone software. This system automatically enters the wage data into the SSI system, which eliminates the need to enter a manual report. These telephone reports generally are accurate and require no additional evidence, which saves time in our field offices. SSITWR has allowed us to process more wage reports automatically, thereby reducing wage-related errors.

In addition to continuing to expand the use of SSITWR, SSA has introduced an alternative for individuals to make monthly wage reports through an Android or iPhone smartphone application. This alternate method of wage reporting will help reduce delays in posting of a recipient's income change to our systems. We expect new tools such as these for wage reporting will help reduce improper SSI payments.

### Program Complexity

Another area of the SSI program requiring thoughtful attention is program complexity. The process of evaluating eligibility and payment levels on an ongoing basis and addressing the accuracy of payments both contribute to the complexity of the SSI program. Income and living arrangements, for example, are two of the factors used to determine an individual's monthly benefit. Income can be in cash or in kind, and is usually anything that a person receives that can be used to obtain food or shelter. It includes cash income such as wages, Social Security benefits, pensions, and unemployment compensation. In-kind income is food and shelter or something someone can use to obtain those items. Generally, the amount of the cash income or the value of the in-kind income is deducted from the Federal benefit rate, which is currently \$721 a month. Additional rules regarding the consideration of earned income, unearned income, and calculation of payments amounts further complicate this picture.

An individual's living arrangement also affects his or her monthly benefit. For instance, when an individual moves into a nursing home, the person's monthly payment may be reduced to as little as \$30 per month. If the person moves from his or her own household into the household of another person, and that person provides food or shelter, the payment also may be reduced.

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<sup>1</sup> This figure is the total number of full medical CDRs completed in fiscal year 2013, including cases involving SSI and/or Old-Age, Survivors, and Disability Insurance. In each of the past 10 years, full medical CDRs involving SSI recipients have represented over 60 percent of the total number of full medical CDRs processed.

In another example of SSI program complexity, the value of an individual's resources also affects eligibility for the program. An individual is not eligible for benefits if his or her countable resources exceed \$2,000, and couples are not eligible if their countable resources exceed \$3,000. In general, we count as resources items individuals can convert to cash and use for their support and maintenance, such as bank accounts, stocks, and bonds. Congress has amended the Act many times to add new resource exclusions, further increasing the complexity of the program. In short, the many factors SSA must evaluate in determining eligibility and payment amounts result in a program that is especially complicated to explain and labor-intensive to manage.

## **Conclusion**

More than 40 years after its implementation, the SSI program continues to provide support for millions of vulnerable Americans. However, the program faces challenges related to its requirement to respond to changing circumstances of beneficiaries. Fluctuations in either income or resources may affect eligibility or payment amounts. And while the SSI program was never simple, it has become increasingly complex over the years. Some of these complexities stem from the way SSI payments are calculated, which is defined by statute, while others are related to administrative rules we use to determine program eligibility. Although we continue to make positive strides in improving the administration of the SSI program, legislators and program administrators will be pressed to find ways to reduce this complexity. Our goal remains consistent: to pay the right person the right benefit at the right time, and we will use every tool at our disposal to ensure that SSI payments are accurate. Moving forward, we will continue to search for ways to simplify the SSI program and to pursue technological improvements, resulting in a program that is easier for the public to understand, more efficient for us to administer, and continues to provide support to vulnerable Americans.

### ***D. KEY RESULTS FROM THE 25-YEAR PROJECTIONS***

The major findings in the 25-year projections prepared for this report are:

- Following small declines in the SSI recipient population in the late 1990s due to the combined impact of Public Law 104-121 (the Contract With America Advancement Act of 1996) and Public Law 104-193 (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996), modest growth in the SSI rolls resumed in 2000. The economic recession that began in late 2007 led to faster growth in the SSI recipient population in recent years. We expect a somewhat higher level of growth to continue for a few years due to the still-elevated unemployment rates during the remainder of the recovery from the recent economic downturn. That brief period of elevated growth is projected to be followed by a return to more modest growth throughout the remainder of the projection period at a rate somewhat slower than the rate of growth in the U.S. population. By 2038, we estimate that the Federal SSI recipient population will reach 9.2 million. As a percentage of the total U.S. population, we project the number of Federal SSI recipients to decrease very gradually from 2.52 in 2013 to 2.35 percent of the population by 2038.
- We estimate that Federal expenditures for SSI payments in calendar year 2014 will increase by \$1.2 billion to \$54.6 billion, an increase of 2.3 percent from 2013 levels. In dollars adjusted by the Consumer Price Index to 2014 levels, we project that SSI program outlays will increase to \$61.2 billion in 2038, a real increase of 0.5 percent per year.
- Federal SSI expenditures were 0.32 percent of Gross Domestic Product (GDP) in 2013. We project that such expenditures will decrease to 0.31 percent of GDP in 2014, and continue to decline thereafter to 0.22 percent of GDP by 2038.

### **III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM**

This section presents a brief history and comprehensive description of the SSI program. This section also includes information on the administration of the program and coordination with other programs.

#### ***A. BACKGROUND***

Federal entitlement programs for the aged, blind, or disabled have their roots in the original Act of 1935. The Act established an old-age social insurance program administered by the Federal Government and an old-age means-tested assistance program administered by the States. Congress added similar programs for the blind or disabled to the Act in later years. Means-tested assistance provided a safety net for individuals who were either ineligible for Social Security or whose benefits could not provide a basic level of income.

This means-tested assistance comprised three separate programs—Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Despite substantial Federal financing, these programs were essentially State programs. Federal law established only broad guidelines for assistance. The Federal Government provided matching funds to support whatever payment levels the States established, with no maximum or minimum standards. Consequently, each State was responsible for setting its own standards for determining who would get assistance and how much they would receive.

Beginning in the early 1960s, this State-operated, federally assisted system drew criticism directed at the “crazy quilt” eligibility requirements and payment levels. Other criticism centered on specific requirements, such as lien laws and provisions that required certain relatives to bear responsibility for the maintenance of family members in need.

Responding to these concerns, Congress passed and the President approved the SSI program in 1972, which substantially reversed the Federal and State roles with regard to adult assistance. Under the new arrangement, SSI provides a uniform Federal income floor while optional State programs supplement that floor. The new program was historic in that it shifted responsibility from the States to the Federal Government for determining who would receive assistance and how much assistance they would receive.

#### ***B. THE BASIC PLAN***

The main objective of the SSI program is to provide basic financial support of aged, blind, or disabled individuals whose income and resources are below certain limits. Congress designed the SSI program based on the following principles:

- Eligibility requirements and benefit standards that are nationally uniform and eligibility determinations based on objective criteria;
- An assistance source of last resort for the aged, blind, or disabled whose income and resources are below specified levels;
- Incentives and opportunities for those recipients able to work or to be rehabilitated that would enable them to reduce their dependency on public assistance;
- An efficient and economical method of providing assistance;
- Inducements to encourage States to provide supplementation of the basic Federal benefit and protection for former recipients of State adult assistance programs who were converted to the SSI program; and



- Appropriate coordination of the SSI program with the food stamp, medical assistance, and other programs.<sup>1</sup>

### C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA

Prior to the SSI program, the eligibility of aged, blind, or disabled individuals for federally funded adult assistance depended on the State in which they lived. Benefit levels varied from State to State. The SSI program replaced the State-run programs with a national program with uniform standards and objective eligibility criteria. These standards include:

- A uniform limitation on the dollar amount or value of income and resources that an individual can have and still qualify for SSI assistance. The countable income limits for individuals and couples are equal to their respective Federal benefit rates<sup>2</sup> and increase annually according to changes in the cost of living. For 2014, the Federal benefit rate is \$721 a month for individuals and \$1,082 a month for couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples.
- A uniform standard of 65 as the minimum age for assistance based on age.
- A uniform definition of disability and blindness. The definitions for individuals age 18 or older are the same as those used for the Social Security Disability Insurance program. In order to be considered disabled, an individual must have a medically determinable physical or mental impairment that is expected to last or has lasted at least 12 continuous months or is expected to result in death and: (1) if age 18 or older, prevents him or her from doing any substantial gainful activity (SGA);<sup>3</sup> or (2) if under age 18, results in marked and severe functional limitations. However, individuals for whom addiction to drugs or alcoholism is a contributing factor material to the determination of their disabilities are not eligible for benefits. In order to be considered blind, an individual must have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have tunnel vision of 20 degrees or less.
- A uniform standard for citizenship and residency. In order to be eligible for SSI, an individual must be a citizen or national of the United States, an American Indian born in Canada who is admitted to the United States under section 289 of the Immigration and Nationality Act (INA), an American Indian born outside the United States who is a member of a federally recognized Indian tribe under section 4(e) of the Indian Self-Determination and Education Assistance Act, a noncitizen who was receiving SSI benefits on August 22, 1996, or a qualified alien<sup>4</sup> in one of the following categories:<sup>5</sup>

— Certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;

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<sup>1</sup> For example, as explained in section III.H, SSI recipients in most States are also automatically eligible for Medicaid, which generally provides for their medical needs.

<sup>2</sup> See table IV.A2 for historical and estimated future Federal benefit rates.

<sup>3</sup> “SGA” describes a level of work activity that is both substantial (i.e., involves the performance of significant physical or mental activities) and gainful (i.e., activities in work for pay or profit, or in work generally performed for pay or profit). SGA rules do not apply to the SSI blind. Generally, earnings from work activity of over \$1,070 a month are evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$1,070 a month, he or she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$1,070 a month, he or she could continue to be eligible for SSI. (See “Incentives for Work and Opportunities for Rehabilitation” section III.E.) The SGA level of \$1,070 was increased from \$1,040 effective January 1, 2014 (78 FR 66413). According to regulation, SSA bases yearly increases in the SGA level on increases in the national average wage index. See table V.E1 for the history of SGA level amounts.

<sup>4</sup> A complete list of noncitizens who are considered qualified aliens can be found in the Glossary under “Qualified Alien.” However, to be eligible to receive SSI benefits, these qualified aliens also must be in one of the categories listed.

<sup>5</sup> Generally, the law limits SSI eligibility for humanitarian immigrants to 7 years. However, under the “SSI Extension for Elderly and Disabled Refugees Act,” which became law on September 30, 2008, lawmakers extended the 7-year period to 9 years during the window of October 1, 2008 through September 30, 2011. Afterwards, the SSI eligibility period reverted back to 7 years. Noncitizens who had naturalization applications pending during this same 3-year window were exempt from the 7-year limitation.

## *The Supplemental Security Income Program*

- Refugees (eligibility generally limited to the 7-year period after their arrival in the United States);
- Asylees (eligibility generally limited to the 7-year period after the date they are granted asylum);
- Noncitizens who have had their deportations withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or who have had their removals withheld under section 241(b)(3) of the INA (eligibility generally limited to the 7-year period after the date that deportation or removal is withheld);
- Cuban and Haitian entrants as defined by Federal statute, including: 1) section 501(e) of the Refugee Education Assistance Act of 1980; 2) former parolees and other aliens who became residents under the Cuban Adjustment Act of 1966; 3) aliens who became permanent residents under the Nicaraguan and Central American Relief Act; 4) aliens who adjusted status as Cuban/Haitian entrants under the provisions of the Immigration Reform and Control Act of 1986; and 5) aliens who became permanent residents under the Haitian Refugee Immigration Fairness Act (eligibility for these categories generally limited to the 7-year period after the date that entrant status is granted);
- Amerasian immigrants admitted pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 and subsequent amendments (eligibility generally limited to the 7-year period after their arrival in the United States);
- Noncitizen active duty U.S. Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; or
- Lawful permanent residents (LPR) who have earned or can be credited (from their spouses or parents) with 40 qualifying quarters of earnings. Qualified aliens in this category must also serve a 5-year waiting period in which they cannot receive SSI. This waiting period begins with the date they either entered the United States as an LPR or were adjusted to LPR status.

In addition, certain noncitizens are treated as refugees for SSI purposes:

- Noncitizens certified by the Department of Health and Human Services to be victims of trafficking in persons in the United States<sup>1</sup> (eligibility generally limited to the 7 years after a determination is made that they are trafficking victims); and
- Iraqi or Afghan noncitizens granted special immigrant status under emergency conditions, such as Iraqis or Afghans who have provided service to the U.S. government and, as a result, may be in danger within their country of origin (eligibility for SSI generally limited to the 7 years after the special immigrant status is granted).

In addition to being a U.S. citizen (or national) or in one of the potentially eligible noncitizen categories, an individual must reside in one of the 50 States, the District of Columbia, or the Northern Mariana Islands. An individual also must be physically present in the United States.<sup>2</sup> There are two exceptions to the residency and physical presence requirements:

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<sup>1</sup> Generally defined as the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

<sup>2</sup> Fifty States, the District of Columbia, or the Northern Mariana Islands.

- Blind or disabled children who are citizens of the United States may continue to be eligible for payments if they are living outside the United States with a parent who is on duty as a member of the U.S. Armed Forces. This exception also applies to blind or disabled children of military personnel who: (1) are born overseas; (2) become blind or disabled overseas; or (3) applied for SSI benefits while overseas.
- Students studying abroad for not more than 1 year also may continue to be eligible for payments if the studies are sponsored by a U.S. educational institution but could not be conducted in the United States.

#### ***D. ASSISTANCE OF LAST RESORT***

As a means-tested program, SSI takes into account all income and resources that an individual has or can access. The amount of an individual's countable income and resources are the measure of his or her need for assistance.

##### **1. Income**

The Act requires us to consider an individual's income in determining both eligibility for and the amount of his or her SSI benefit. We first compute an individual's "countable" income (i.e., income less all applicable exclusions) on a calendar month basis. We then compute his or her monthly benefit by subtracting countable income from the applicable Federal benefit rate.<sup>1</sup> Generally, ineligibility for SSI occurs when countable income equals the Federal benefit rate plus the amount of an applicable federally administered State supplementation payment.<sup>2</sup>

When an individual lives in the household of another and receives support and maintenance in-kind (i.e., room and board) from the householder, the Federal benefit rate decreases by one-third. This reduction is in lieu of counting the actual value of the support and maintenance as unearned income. In contrast, we count the value of food or shelter-related items the individual receives in-kind from persons other than the householder (including in-kind assistance from outside the household in which he or she lives) as unearned income. However, the amount that is countable is limited to an amount equal to one-third of the applicable Federal benefit rate plus \$20.

The Act defines two kinds of income—earned and unearned. Earned income is wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services. All other income is unearned including, for example, Social Security benefits, pensions, and unemployment compensation. The distinction between earned and unearned income is significant because different exclusions apply to each type of income.

However, under the law, not everything an individual receives is income. Generally, if the item received is not food or shelter or cannot be used to obtain food or shelter, it will not be considered as income. For example, if someone pays an individual's medical bills or offers free medical care, or if the individual receives money from a social services agency that is a repayment of an amount he or she previously spent, that value is not considered income to the individual. In addition, some items that are considered to be income are excluded when determining the amount of an individual's benefit.

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<sup>1</sup> See table IV.A2 for historical and estimated future Federal benefit rates. We adjust Federal benefit rates in January to reflect changes in the cost of living.

<sup>2</sup> We discuss State supplementation payments in section III.G.

## **Income Exclusions<sup>1</sup>**

The principal *earned* income exclusions are:

- The first \$65 per month plus one-half of the remainder;
- Impairment-related work expenses of the disabled and work expenses of the blind;
- Income set aside or being used to pursue a plan to achieve self-support (PASS) by a disabled or blind individual; and
- The first \$30 of infrequent or irregularly received income in a quarter.

The principal *unearned* income exclusions are:

- The first \$20 per month;<sup>2</sup>
- Income set aside or being used to pursue a PASS by a disabled or blind individual;
- State or locally funded assistance based on need;
- Rent subsidies under the Department of Housing and Urban Development programs;
- The value of food stamps; and
- The first \$60 of infrequent or irregularly received income in a quarter.

## **2. Resources**

The Act also requires us to consider the value of an individual's resources in determining whether he or she is eligible for SSI in any given month. The statute states that eligibility is restricted to individuals who have countable resources, determined monthly, that do not exceed \$2,000 (\$3,000 for a couple). Although the statute does not define "resources," it lists those items that are not considered resources. Our regulations define a resource to be a liquid asset, such as cash, or any real or personal property that individuals, spouses of individuals, or parents of a child under the age of 18 own and could convert to cash for their support and maintenance, but there are numerous and complex exceptions to this general rule.

If an applicant disposes of resources at less than fair market value within the 36-month period prior to his or her application for SSI or at any time thereafter, he or she may be penalized. The penalty is a loss of SSI benefits for a number of months (up to a 36-month maximum).<sup>3</sup> The penalty does not apply if the applicant can show that the resources were disposed of exclusively for a purpose other than establishing SSI eligibility.

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<sup>1</sup> A complete list of the SSI income exclusions can be found in section V.B.

<sup>2</sup> Any portion of this \$20 amount not used to exclude unearned income may be used to exclude earned income.

<sup>3</sup> We calculate the number of months of penalty by dividing the uncompensated value of disposed-of-resources by the Federal benefit rate plus the maximum federally administered State supplementation payment, if any, applicable to the individual's living arrangement.

## Resource Exclusions<sup>1</sup>

The principal resource exclusions are:

- The home and land appertaining to it, regardless of value;
- Life insurance policies whose total face value does not exceed \$1,500;
- Burial funds not in excess of \$1,500 each for an individual and spouse (plus accrued interest);
- Household goods, if needed for maintenance, use and occupancy of the home;
- Personal effects;
- An automobile, if used to provide necessary transportation;
- Property essential to self-support;
- Resources set aside to fulfill a PASS; and
- Amounts deposited into either a Temporary Assistance for Needy Families or an Assets for Independence Act individual development account, including matching funds, and interest earned on such amounts.

### 3. Filing for Other Benefits

As the “program of last resort,” eligible individuals receive SSI benefits only to the extent other income and resources do not satisfy their needs. After evaluating all other income and resources, SSI pays what is necessary to bring an individual to the statutorily prescribed income floor. In keeping with this principle, the Act requires that SSI applicants and recipients file for other payments for which they may be eligible, such as annuities, pensions, retirement or disability benefits, workers’ compensation, and unemployment insurance benefits.

We must provide an individual with written notice of potential eligibility for other benefits and of the requirement to take all appropriate steps to pursue these benefits. The individual has 30 days from receipt of the notice to file for the benefits involved.

### 4. Eligibility Issues for Residents of Public Institutions or Medical Treatment Facilities

State and local governments—rather than the Federal Government—traditionally have taken the financial responsibility for residents of their public institutions. The SSI program continues this long-standing public assistance policy. Residents of public institutions for a full calendar month are generally ineligible for SSI unless one of the following exceptions applies:

- The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care, or in the case of a child under age 18, Medicaid or private health insurance pays more than 50 percent of the cost of care—in these situations, the SSI payment is limited to \$30;
- The public institution is a publicly-operated community residence that serves no more than 16 residents;

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<sup>1</sup> We include a more detailed list of the SSI resource exclusions in section V.B.

- The public institution is an emergency shelter for the homeless—in these situations payments are limited to no more than 6 months in any 9-month period;
- The recipient was eligible under section 1619(a) or (b)<sup>1</sup> for the month preceding the first full month in the public institution and permitted by the institution to retain any benefits—in this situation, payments are limited to 2 months; or
- A physician certifies that the recipient’s stay in a medical treatment facility is likely not to exceed 3 months, and SSA determines that continued SSI eligibility is necessary to maintain and provide for the expenses of the home to which the individual will return. In this situation, the recipient may continue to receive the full benefit for any of the first 3 full months of medical confinement if he or she meets all other conditions for payment.

## **5. Personal Needs Allowance**

When individuals enter medical treatment facilities in which Medicaid pays more than half of the bill, the law generally requires us to reduce their monthly Federal benefit rate to \$30 beginning with the first full calendar month they are in the facility. In the case of an individual under age 18, the \$30 payment amount is also applicable if private insurance or a combination of Medicaid and private insurance pays more than half the bill. In these cases, the SSI program provides up to \$30 a month for small comfort items not provided by the facility.

## **6. Deeming**

The Act requires us to count, in certain situations, the income and resources of others in determining whether an individual’s income and resources fall within the income and resource limits established by law. We call this process “deeming”; it applies in cases where an eligible individual lives with an ineligible spouse, an eligible child lives with an ineligible parent, or an eligible noncitizen has a sponsor.<sup>2</sup> In concept, the practice takes into account the responsibility of the spouse, parent, or sponsor to provide for the basic needs of the eligible individual.

### ***a. Spouse-to-Spouse Deeming***

When an eligible individual lives in the same household with a spouse who is not eligible for SSI, we deem the ineligible spouse’s income and resources to be available to the eligible individual. In determining the amount of income and resources available to the eligible individual, we use all applicable exclusions. In addition, the law provides a living allowance for the ineligible spouse as well as for any ineligible children under age 18 (or under age 22 and a student) living in the household. The allowance reduces the amount of income to be deemed. Spouse-to-spouse deeming generally results in approximately the same amount of income available to the couple that would be available if both members of the couple were aged, blind, or disabled and eligible for SSI.

Deeming does not apply when the eligible individual is not living in the same household as the ineligible spouse. However, if the ineligible spouse’s absence is temporary or is due solely to an active duty assignment as a member of the U.S. Armed Forces, deeming continues to apply.

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<sup>1</sup> See section III.E.6 of this report for a description of the special section 1619 provisions for disabled individuals who work.

<sup>2</sup> Deeming also applies to an individual who lives with an essential person (a concept carried over from the former State assistance plans). However, there are fewer than 30 of these cases remaining.

***b. Parent-to-Child Deeming***

A child under age 18 is subject to deeming from an ineligible natural or adoptive parent (and that parent's spouse if any) living in the same household. Deeming does not apply if: (1) a child lives in a household with only the spouse of a parent (i.e., a stepparent); and (2) the natural or adoptive parent has permanently left the household. Deeming to a child continues if the parent is absent from the household only if the absence is temporary or due solely to active duty assignment as a member of the U.S. Armed Forces. If a child lives in a household in which all members are receiving public assistance benefits, we do not consider that child to be receiving any support, and deeming does not apply.

In the deeming computation, we first calculate the parent's income, using any exclusions that apply. Then we subtract a living allowance for the parent(s) and each ineligible child under age 18 (or under age 22 if a student) who is living in the household. We deem the remainder to be available to the eligible child(ren).

***c. Sponsor-to-Alien Deeming***

We deem the income and resources of noncitizens to include those of their sponsors. The way we deem the income and resources and the length of the deeming period depends on whether the sponsor signed a legally enforceable affidavit of support<sup>1</sup> or the previous version of the affidavit. Generally, noncitizens who entered the country before 1998 did so under the old version of the affidavit.<sup>2</sup>

Under the old version of the affidavit, deeming of the sponsor's income and resources lasts until the non-citizen has been in the United States for 3 years.<sup>3</sup> The law provides living allowances equal to the Federal benefit rate for the sponsor as well as allowances equal to one-half of the Federal benefit rate for each of the sponsor's dependents. The law also provides allowances for the sponsor and his or her family members in determining deemed resources. These allowances reduce the amount of the sponsor's income and resources deemed to the noncitizen.

For noncitizens admitted into the United States under a legally enforceable affidavit of support, deeming generally applies until the noncitizen becomes a U.S. citizen. Deeming ends before citizenship if the non-citizen has earned, or can be credited with, 40 qualifying quarters of earnings. Children and spouses of workers may be credited with quarters earned by the worker. A quarter otherwise earned after 1996 does not count as 1 of the required 40 if the noncitizen or worker received Federal means-tested public benefits during the relevant period.

For this group of noncitizens, deeming also does not apply for specified periods if the noncitizens or their children or parents have been battered or subjected to extreme cruelty while in the United States or if sponsors leave the noncitizens indigent by not providing them with sufficient support.

***E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION***

SSI benefits provide a basic level of assistance for individuals who are blind or disabled with limited earnings capacity due to their impairments. Nonetheless, for recipients who want to work, the SSI program is designed to encourage and support their work attempts in order to help them achieve greater degrees of independence. The SSI program includes a number of work incentives that enable recipients who are blind or disabled to work and retain benefits or to increase their levels of work activity without the loss of SSI

<sup>1</sup> Legally enforceable affidavits of support are required by Public Law 104-208.

<sup>2</sup> The Immigration and Naturalization Service now known as the United States Citizenship and Immigration Services began using the new, legally enforceable affidavits on December 19, 1997. However, if a potential immigrant had a visa issued before that date, the sponsor would sign an old version of the affidavit even if the affidavit was signed after December 19, 1997.

<sup>3</sup> For a temporary period—January 1994 through September 1996—the deeming period was 5 years.

disability status or Medicaid. These incentives provide higher amounts of income or resource exclusions as recognition of the expenses associated with working or as inducements to seek rehabilitation services and support for work efforts.

The SSI program also includes provisions to help disabled recipients obtain vocational rehabilitation (VR) and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, which we describe in section III.E.7.

### **1. Earned Income Exclusion**

We exclude the first \$65 (\$85 if the individual has no income other than earnings) of any monthly earned income plus one-half of remaining earnings for SSI benefit computation purposes. This general earned income exclusion offsets expenses incurred when working.

### **2. Impairment-Related Work Expense Exclusion**

We exclude the costs of certain impairment-related services and items that a disabled (but not blind) individual needs in order to work from earned income in determining SSI eligibility and payment amounts.

In calculating these expenses, amounts equal to the costs of certain attendant care services, medical devices, equipment, prostheses, vehicle modifications, residential modifications to accommodate wheelchairs, and similar items and services are deductible from earnings. The costs of routine drugs and routine medical services are not deductible unless these drugs and services are necessary to control the disabling condition.

### **3. Work Expenses of the Blind Exclusion**

We exclude any earned income by a blind individual used to meet expenses needed to earn that income from earned income in determining SSI eligibility and payment amounts. A deductible expense need not be directly related to the worker's blindness; it need only be an ordinary and necessary work expense of the worker.

Some frequently excluded work expenses include transportation to and from work, meals consumed during work hours, job equipment, licenses, income or Federal Insurance Contributions Act taxes, and costs of job training.

### **4. Student Earned Income Exclusion**

The student earned income exclusion is an additional exclusion for an individual who is under age 22 and regularly attending school. Under current regulations, we exclude up to \$1,750 of earned income per month but no more than \$7,060 per year.<sup>1</sup>

### **5. Plan to Achieve Self-Support**

A PASS allows a disabled or blind individual to set aside income and resources to get a specific type of job or to start a business. A PASS may involve setting aside funds for education or vocational training. A recipient can also set aside funds to purchase work-related equipment or pay for transportation related to

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<sup>1</sup> Increased from \$1,730 and \$6,960, respectively, effective January 1, 2014 (78 FR 66413). Under current regulations, this amount increases yearly based on changes in the cost of living.



the work goal. We exclude the income and resources that a recipient sets aside under the SSI income and resources tests.

The individual must have a feasible work goal, must have a specific savings or spending plan, and must provide for a clearly identifiable accounting for the funds that he or she sets aside. We must approve the PASS; the individual must then follow the plan and negotiate revisions as needed. SSA monitors the plans by reviewing them periodically to evaluate the individual's progress towards attaining the work goal.

## **6. Special Provisions for Disabled Recipients Who Work**

This work incentive generally is known by its section number in the Act—section 1619. Under section 1619(a), disabled individuals who would cease to be eligible because of earnings over the SGA level may receive special cash benefits as long as they:

- Continue to have the disabling condition;
- Have income under the amount that would cause ineligibility for any payment under SSI income counting rules; and
- Meet all other nondisability requirements for SSI payment.

In many States, being a recipient of the special benefit permits the individual to be eligible for Medicaid benefits.

Section 1619(b) also provides “SSI recipient” status for Medicaid eligibility purposes to individuals:

- Whose earnings preclude any SSI payment but are not sufficient to provide a reasonable equivalent of SSI benefits, social services, and Medicaid benefits that an individual would have in the absence of earnings; and
- Whose ability to continue working would be seriously inhibited by the loss of social services and Medicaid benefits.

To qualify for extended Medicaid coverage under section 1619(b) an individual must:

- Have a disabling condition;
- Need Medicaid in order to work;
- Not be able to afford equivalent medical coverage and publicly funded personal or attendant care without assistance;
- Meet all nondisability requirements for SSI payment other than earnings; and
- Have received a regular SSI cash payment in a previous month within the current period of eligibility. In some States, the individual must have qualified for Medicaid the month preceding the first month of 1619 eligibility.

In determining whether individuals' earnings are not sufficient to provide them with the equivalent benefits they would be eligible for if they stopped working, we compare their earnings to a threshold amount for their State of residence. Section 1619(b) status continues if the earnings are at or below the threshold. If earnings exceed the State threshold, we make an individualized assessment of the need for Medicaid and 1619(b) status may continue.

## **7. Vocational Rehabilitation/Ticket to Work Program**

Since the beginning of the SSI program, State VR agencies have provided services to those blind or disabled SSI recipients whom they have accepted as clients. SSA has traditionally reimbursed the VR agency for services provided in situations where the services result in the individual's working at the SGA level for a continuous period of 9 months and in certain other limited situations.

The Ticket to Work and Work Incentives Improvement Act of 1999 established a Ticket to Work and Self-Sufficiency program under which a blind or disabled beneficiary may obtain VR, employment, and other support services from a qualified private or public provider, referred to as an "employment network" (EN), or from a State VR agency. In addition, the Ticket to Work legislation provided that ENs would be compensated under an outcome or outcome-milestone payment system.<sup>1</sup> By expanding the pool of providers and giving the providers incentives for achieving success, this program seeks to expand a disabled beneficiary's access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his or her dependence on cash benefits.

The Ticket to Work program has been in operation nationwide since September 2004. Under this program, SSA provides access to employment support services to eligible individuals who receive SSI benefits due to blindness or disability. These individuals may obtain the VR services, employment services, and other support services needed to return to work or go to work for the first time. The Ticket to Work program provides that as long as the beneficiary is "using a ticket" SSA will not initiate a continuing disability review to determine whether the beneficiary has medically improved.

ENs and State VR agencies are the only providers of VR services to disabled SSI recipients that SSA can compensate for those services. All ENs receive their compensation through the Ticket to Work program's milestone or outcome-based payment system. Unless State VR agencies have elected to participate as an EN for specific cases, they receive compensation under the traditional VR reimbursement system. Any services provided by the State VR agencies to SSI recipients who are not yet eligible for a ticket receive compensation under the traditional VR reimbursement system.

Individuals who improve medically and, therefore, are no longer considered disabled or blind may continue to receive SSI benefits if they are actively participating in the Ticket to Work program or another approved program of VR services, employment services, or other support services. For benefits to continue, SSA must determine that continuing or completing the program will increase the likelihood that the individual will be permanently removed from the SSI rolls. SSI benefits and Medicaid generally continue until the recipient completes the approved program or the individual ceases to participate in the program.

In 2008, SSA revised the Ticket to Work regulations to enhance beneficiary choice and improve the effectiveness of the program. The revisions extended the program to all adult OASDI disabled and SSI blind or disabled beneficiaries, removed disincentives for ENs to participate in the program, provided incentives for ENs to support beneficiaries through a more gradual return to work and positioned ENs to better support ongoing retention of employment. The regulations also encourage partnership between State VR agencies and ENs to provide long-term services to a beneficiary by allowing the beneficiary to assign a ticket to an EN after receiving VR services.

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<sup>1</sup> State VR agencies generally have the option on a case-by-case basis of electing to be paid under an EN payment system or under the traditional cost reimbursement payment system. Effective July 21, 2008, a State VR agency under the traditional cost reimbursement option and an EN under the EN payment system may be compensated for providing successive services to a beneficiary.

## 8. Expedited Reinstatement

A disabled or blind individual whose eligibility for SSI payments ended because of earnings can request expedited reinstatement of SSI benefits without filing a new application. To qualify for expedited reinstatement, the individual must make the request within 60 months after his or her eligibility ended and must have a disabling medical condition that: (1) is the same as (or related to) the disabling medical condition that led to the previous period of eligibility; and (2) prevents the performance of SGA. In determining whether the individual is disabled or blind, the medical improvement review standard is applied. Normal nonmedical requirements for SSI eligibility still apply.

An individual requesting expedited reinstatement may receive up to 6 months of provisional benefits while his or her request is pending. These benefits generally are not considered an overpayment if we deny the request. Provisional benefits may include Medicaid but do not include any State supplementation payments.

### F. ADMINISTRATION OF THE SSI PROGRAM

The framers of the program chose SSA to administer the SSI program because the basic system for paying monthly benefits to a large number of individuals was already in place in the form of the Social Security program, and SSA had a long-standing reputation for thoughtfully and respectfully serving the public.

#### 1. Application Process

Individuals can apply for SSI benefits at any one of the approximately 1,250 SSA field offices around the country or through SSA teleservice centers. Although many of the eligibility requirements for the Social Security program and the SSI program are different, the application process is very similar. Individuals typically file for benefits under both programs at the same time.

SSA corroborates information provided by applicants for SSI through independent or collateral sources. Generally, the basic responsibility for obtaining evidence lies with the claimant, although SSA frequently gives advice and assistance on obtaining it. However, due to the special circumstances of the SSI population (e.g., financial need, old age, or illness), SSA often provides applicants with extra help obtaining needed information.

With regard to disability and blindness claims, SSA determines the nonmedical eligibility factors and each State's DDS determines the medical eligibility factors.<sup>1</sup>

#### 2. Determination of Eligibility for Benefits

SSI applications have no retroactivity and become effective in the month after the month of filing or the month after all eligibility requirements are met, whichever is later. Eligibility for benefits in a month is based on income received in that month. We generally calculate the amount of the monthly benefit using income in the second month preceding the month for which the benefit is paid.<sup>2</sup> However, at the start of a period of eligibility or re-eligibility, we determine the amount of benefits for both the first and second months using the income received in the first month.

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<sup>1</sup> The applicant can appeal unfavorable determinations related to either the nonmedical or medical eligibility factors. The administrative review process consists of several steps, which must be requested within certain time periods.

<sup>2</sup> This method of calculating the benefit is called retrospective monthly accounting.

### **3. Payment of Benefits**

In general, we pay SSI benefits on the first day of each month. If the first of the month falls on a weekend or legal public holiday, we deliver benefit payments on the working day immediately preceding such Saturday, Sunday, or holiday. Monthly benefit payments include both the Federal SSI and State amounts if the recipient lives in a State in which SSA administers the State supplementation payment. (See section III.G.)

Effective May 1, 2011, applicants filing for SSI benefit payments must choose direct deposit, the Direct Express® debit card, or an electronic transfer account (ETA). Effective March 1, 2013, individuals must receive their SSI benefits electronically through direct deposit, the Direct Express® debit card, or ETA unless they qualify for an automatic exemption (e.g., based on age) or are granted a waiver on the basis of hardship. Examples of such hardship situations include inability to manage an account at a financial institution or Direct Express® due to mental impairment, or to living in a remote geographic location lacking the necessary infrastructure to support electronic financial transactions. As of March 2014, about 94 percent of SSI recipients received their benefits electronically.

### **4. Ensuring Continued Eligibility for Benefits**

SSI recipients have their nonmedical eligibility factors redetermined periodically; the frequency of these reviews depends on a variety of factors.

In addition to these nonmedical reviews, we conduct medical reviews on disabled or blind recipients in order to determine if they continue to be disabled or blind. For administrative efficiency, we generally conduct the medical reviews most often on those disabled or blind recipients whose medical conditions are most likely to improve. The Act provides for medical reviews for disabled or blind recipients under the following circumstances:

- When earnings of recipients exceed the SGA level;<sup>1</sup>
- At least once every 3 years for recipients under age 18 whose medical conditions are likely to improve;
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability, unless SSA determines that the impairment is not likely to improve within 12 months of the child's birth; and
- Within 1 year after attaining age 18 for those recipients whose eligibility we established under the disabled child eligibility criteria. We conduct the required review using the adult eligibility criteria.

The Act requires applicants and recipients to report events and changes of circumstances that may affect their SSI eligibility and benefit amounts. The Act requires such reports, for example, when an individual has a change in the amount of his or her income or resources, changes living arrangements, or leaves the United States. Failure or delay in reporting such a change can result in monetary penalties or ineligibility for SSI benefits.

The basic "failure to report" penalty is \$25 for the first such failure or delay, \$50 for the second such failure or delay, and \$100 for each subsequent failure or delay. However, in cases of fraud or false representation of material facts, SSA's Inspector General can assess civil monetary penalties in amounts as large as \$5,000. In such cases of fraud or false representation, SSA also has the authority to suspend eligibility to

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<sup>1</sup> A medical review cannot be initiated while the SSI recipient is "using a ticket" under the Ticket to Work program.

SSI cash benefits by imposing administrative sanctions for specific periods of 6 months for the first occurrence, 12 months for the second occurrence, and 24 months for each subsequent occurrence.

Additionally, SSA may use an accelerated rate of overpayment recovery to encourage accurate reporting. Overpayments to SSI recipients are generally recovered by withholding from the monthly benefit an amount equal to 10 percent of the individual's countable monthly income. For many recipients whose only income is SSI, this withheld amount is 10 percent of their monthly SSI payment. However, if SSA determines that the recipient misrepresented or concealed material information, 100 percent of the monthly SSI benefit may be subject to recovery.

## **5. Representative Payees**

When SSI recipients are incapable of managing their benefits or are declared legally incompetent, we appoint representative payees for them, and we send their SSI benefits to the representative payees. In many cases the representative payee is a spouse, a parent, or other close relative who will act in the recipient's best interest. In some cases, SSA approves an organization to serve as a payee. SSA authorizes certain types of organizations to collect a fee from the benefit for acting as payee. The fee cannot exceed the lesser of 10 percent of the payment amount or a specified amount (\$40 a month in 2014).<sup>1</sup>

Representative payees may use an SSI recipient's benefit only for the use and benefit of the recipient and must account for all benefits received. The Act requires representative payees to report any changes that may affect SSI recipients' eligibility and payment amount. SSA may hold representative payees liable for certain overpayments that occur. In cases in which a child is due a retroactive payment that exceeds six times the Federal benefit rate, the Act requires the representative payee to establish a dedicated account at a financial institution to maintain the retroactive payment. Representatives must make expenditures from the account primarily for certain expenses related to the child's impairment.

## **6. Appeal Rights**

Individuals who disagree with an SSA determination (e.g., eligibility for or the amount of SSI benefits) can appeal. There are four levels of appeal: reconsideration, hearing, Appeals Council review, and Federal court review. If individuals do not agree with the decision they receive at one level, they may appeal to the next. A reconsideration is a complete review by SSA (or by the DDS if applicants are appealing a disability determination).<sup>2</sup> A hearing gives applicants the opportunity to appear before an administrative law judge (ALJ) who had no part in the initial determination or the reconsideration. The Social Security Appeals Council may dismiss a request for review, deny a request for review if it believes the hearing decision was correct, decide the case itself, or remand the case to the ALJ for further action. A Federal district court may look at cases when applicants disagree with the Appeal Council's decision or denial of the request for review.

SSI recipients must receive advance notice of any adverse action SSA plans to take against them and may continue to receive monthly benefits if they appeal the adverse action. For reconsiderations involving the amount of an SSI payment, recipients qualify for benefit continuation if they file the appeal within 10 days of receipt of the notice of adverse action. For appeals of medical cessations or determinations reopened and revised due to medical reasons, recipients qualify for benefit continuation at the reconsideration and hearing levels if they file the appeal and elect benefit continuation within 10 days of receipt of the initial or reconsideration determination.

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<sup>1</sup> For disabled recipients who also have a drug addiction or alcoholism condition, the maximum permitted fee in 2014 is \$77 a month (78 FR 66413).

<sup>2</sup> SSA introduced a modification of this process in 10 States for disability applications filed October 1, 1999 and later. Under this revised process, applicants appeal initial disability denial determinations directly to the Office of Disability Adjudication and Review, thereby eliminating the reconsideration step. The options for appeal beyond the hearing level are unchanged.

## **7. Fees for Attorneys and Non-attorney Representatives**

At any time, an individual may appoint a representative in any dealings with SSA. If such a representative is an attorney, he or she must be in good standing and: (1) admitted to practice law before the U.S. Supreme Court, a U.S. Federal, State, territorial, insular possession, or District of Columbia court; or (2) a member of a State bar if that membership carries with it the authority to practice law in that State. Non-attorneys must be known to possess good character and reputation and must be able to competently advise and assist claimants in presenting their cases. A person cannot be a representative if he or she is disqualified or suspended from acting as a representative with SSA or is prohibited by any law from acting as a representative.

With a limited exception, representatives must use one of SSA's fee authorization processes to request a fee for their services.<sup>1</sup> They can request a fee by either submitting a fee agreement or filing a fee petition. SSA reviews the documents and authorizes the fee the representative may charge or receive. Under the statute, the fee under an approved fee agreement is the lesser of 25 percent of the past-due benefits or a maximum amount (currently \$6,000) adjustable by the Commissioner at his or her discretion. There is no limit on the amount of the fee based on a fee petition; a reasonable fee is determined after reviewing the specific services provided by the representative. After SSA authorizes the fee, the representative may not charge or receive more than the amount authorized.

The SSI program previously differed from the Social Security program in that we did not withhold amounts from an individual's SSI benefits to directly pay the representative his or her authorized fee. SSI claimants were responsible for paying such fees directly to their representatives. However, beginning February 28, 2005, Congress extended direct payment of both attorney and non-attorney representative fees to the SSI program.<sup>2</sup> As in the fee process for the Social Security program, we can withhold up to 25 percent of the individual's SSI past-due benefits to pay an eligible representative's fee directly. The law also requires that we charge representatives an assessment of the smaller of 6.3 percent of each authorized fee withheld or the flat-rate cap of \$89. This assessment applies to authorized fees withheld under the SSI program and the Social Security program; however, in concurrent cases, we only charge the assessment once based on the total fee we directly pay to the representative. We adjust the flat-rate cap based on annual cost-of-living adjustments that we round down to the next lower dollar. This flat-rate cap has prevented SSA from recouping much of the costs incurred in the fee-withholding program.

Non-attorney representatives must meet specified prerequisites in order to be paid directly by SSA out of SSI applicants' past-due benefits. These prerequisites include: (1) having a bachelor's degree or equivalent qualifications from training and work experience; (2) securing and maintaining adequate professional liability insurance; (3) passing a criminal background check; (4) passing an examination given by SSA that tests knowledge of the relevant provisions of the Act and recent court decisions; and (5) demonstrating ongoing completion of qualified courses of continuing education.

## **8. Advance Payments**

The SSI program has procedures that help to respond to the immediate needs of new claimants. These procedures are in addition to State and local programs designed to help those in need as they await decisions on their SSI status.

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<sup>1</sup> We do not need to authorize a fee when the representative informs us in a prescribed manner that a third-party entity will pay the representative's fee and the claimant and affected parties are not liable for it in any way. We also do not need to authorize a fee that the court authorized based on actions as a legal guardian or court-appointed representative.

<sup>2</sup> Public Law 108-203, enacted March 2, 2004, granted temporary extension of the attorney fee payment system to SSI claims for a period of 5 years. Public Law 111-142, enacted February 27, 2010, made this extension permanent.

**a. Emergency Advance Payments**

A new claimant who faces a financial emergency and for whom there is a strong likelihood of being found eligible may receive up to 1 month of SSI benefits (i.e., the Federal payment amount plus any applicable State supplement). We recover the amount paid from later SSI payments in full from the first payment or in increments over no more than a 6-month period depending upon the circumstances. However, if we subsequently deny the claim because the claimant is not disabled or blind, we waive repayment. If we deny the claim for other reasons, we treat the amount paid as an overpayment.

**b. Presumptive Disability or Blindness**

A claimant applying for benefits based on disability or blindness may be paid up to 6 months of benefits when the available evidence reflects a high degree of probability that his or her impairment will meet the definition of disability or blindness and he or she is otherwise eligible for disability benefits. We do not treat these payments as overpayments if we later determine that the individual is not disabled or blind. If we disallow the claim for other reasons, the amount paid is an overpayment.

**G. STATE SUPPLEMENTATION**

In designing the SSI program, Congress recognized that States,<sup>1</sup> in many instances, may want to provide a higher level of income maintenance than that provided by the Federal program. At the same time the law gave the States the option either to provide no supplementation to the Federal assistance payments or to supplement those payments based on their views of the needs of their citizens. Lawmakers also mandated that States not provide lower benefits under the Federal program than they had provided under the former State program. The following paragraphs describe the various forms of State supplementation that currently exist. Table III.H1 summarizes State-specific participation in these programs as well as other programs requiring State and Federal coordination as discussed in section III.H.

**1. Optional State Supplementation Programs**

For individuals who first became eligible for SSI in 1974 or later, each State could supplement Federal payments to whatever extent it found appropriate with respect to the needs of its citizens and resources of the State. Currently, 44 States and the District of Columbia have optional State supplementation programs.

Some States provide supplementary payments to all individuals eligible for SSI benefits while others limit them to certain SSI recipients (e.g., the blind or residents of domiciliary-care facilities), or extend them to persons ineligible for SSI because of excess income. Congress significantly restricted States' flexibility in setting supplementary payments, however, by the passalong provisions (see Passalong Provisions, section III.G.4).

**2. Mandatory State Supplementation Programs**

Congress requires States to maintain the December 1973 income levels of individuals who were transferred in 1974 from the former State adult assistance programs to the SSI program, except for Texas, which has a constitutional bar against mandatory State supplementation. This requirement does not affect West Virginia because, in 1973, SSI Federal benefit rates exceeded the applicable income standards under that State's adult assistance programs. Over the years, many individuals who converted to SSI from the

<sup>1</sup> References to State include, in addition to the 50 States, the District of Columbia. The applicable State supplementation provisions would also apply to the Northern Mariana Islands if it began making State supplementation payments.

State benefit rolls have died and others have had their incomes increase above the December 1973 level. As a result, few individuals continue to receive mandatory State supplementation payments.

### **3. Administration of State Supplementation Payments**

A State may administer its supplementary program or enter into an agreement under which SSA will make eligibility determinations and payments on behalf of the State. Under State administration, the State pays its own program benefits and absorbs the full administrative costs. Under Federal administration, States are required to pay SSA a fee for each supplementary payment issued. In fiscal year 2014, the fee is \$11.32 per payment issued. Fees increase in succeeding fiscal years based on increases in the Consumer Price Index for All Urban Consumers.

States that administer their own supplementary payment programs to SSI recipients establish their own eligibility criteria for the supplementary payments. States with federally administered programs may supplement the Federal benefit among a limited number of geographical and living arrangement variations for SSI recipients.<sup>1</sup>

### **4. Passalong Provisions**

When the SSI program began in 1974, Congress did not require States to maintain their efforts with regard to levels of State supplementation payments. However, in 1976, in reaction to States reducing their supplementary payment amounts when SSI payments increased, Congress mandated that States pass along SSI benefit increases resulting from cost-of-living adjustments.

To meet the passalong requirement, a State may either maintain each State payment level from year to year—the “payment levels” method—or it may spend the same amount of money, in the aggregate, that it spent for supplementary benefits in the 12-month period preceding the increase in the SSI benefit rate—the “total expenditures” method. Currently, 39 States use the levels method and 8 States plus the District of Columbia use the expenditure method. West Virginia has no optional supplementary plan and the legislation did not require it to establish a mandatory plan because Federal SSI income standards exceeded all payments made under the State’s adult assistance programs in 1973. Arizona and North Dakota have no optional supplementary plan and no mandatory minimum State supplementation recipients remaining.

## ***H. COORDINATION WITH OTHER PROGRAMS***

SSI benefits are not the only form of assistance available to aged, blind, or disabled individuals with limited means. Medicaid, nutrition benefits, and temporary State assistance are also important supports that help prevent further impoverishment and improve health outcomes.

The SSI statute includes provisions that are intended to prevent duplication between SSI benefits and other benefits that the Social Security program or States may provide. For example, the “windfall offset” prevents windfall payments to individuals entitled to receive Social Security and SSI payments for the same period.

SSA also plays a limited but important role in helping States administer the Medicaid Program and the Supplemental Nutrition Assistance Program (SNAP).<sup>2</sup>

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<sup>1</sup> Includes, for this purpose, those eligible for SSI benefits but for income.

<sup>2</sup> In 2008, the Food Stamp program changed its name to SNAP.



## 1. Windfall Offset

If a person receives SSI payments and we later determine that person is entitled to retroactive Social Security benefits, we reduce such retroactive Social Security benefits by the amount of SSI payments the person would not have been eligible for had the Social Security benefits been paid in the month they were due. Congress enacted this “windfall offset” to prevent windfall payments to individuals entitled to receive Social Security and SSI payments for the same period.

## 2. Interim Assistance Reimbursement

SSA may enter into agreements under which States or local governments are reimbursed for basic needs assistance provided during the period that either an eligible individual’s SSI application for benefits was pending or we suspended and subsequently reinstated the individual’s SSI benefits.

Under these interim assistance reimbursement (IAR) agreements, if the individual has given SSA written authorization, SSA first reimburses the State, then pays the appointed representative’s fee, and pays the remainder in installments to the recipient or his or her representative payee. Thirty-six States and the District of Columbia have IAR agreements with SSA.

## 3. Medicaid Determinations

Most SSI recipients are categorically eligible for Medicaid. A State may either use SSI eligibility criteria for determining Medicaid eligibility or use its own criteria as long as the criteria are no more restrictive than the State’s January 1972 medical assistance standards. Forty States and the District of Columbia use SSI criteria and 10 States use eligibility criteria more restrictive than those of the SSI program.

States also may enter into agreements with SSA for SSA to make Medicaid eligibility determinations on their behalf for as long as the eligibility requirements of the State’s Medicaid plans match those for the SSI program. Under these agreements, SSA determines only when an individual is eligible for Medicaid; SSA does not determine Medicaid ineligibility. SSA has Medicaid determination agreements with 33 States and the District of Columbia.

The Act provides continued Medicaid eligibility for certain Social Security beneficiaries who lose SSI eligibility due to: (1) entitlement to Social Security benefits; or (2) a change in Social Security benefits resulting from:

- Cost-of-living adjustments;
- Actuarial increases in disabled widow(er)’s benefits before age 60;
- Changes in the definition of disability for widow(er)’s benefits; or
- Increases in or entitlement to childhood disability benefits.

## 4. Supplemental Nutrition Assistance Program Applications

SSI recipients in all States, except California,<sup>1</sup> may be eligible for SNAP benefits. Under agreements entered into by the Department of Agriculture and SSA, Social Security offices notify Social Security and SSI applicants and recipients of their potential benefits under the SNAP and make SNAP applications available to them.

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<sup>1</sup> California “cashes out” nutrition benefits and SSI recipients there receive a cash payment in their State supplementation payment in lieu of benefits.

*The Supplemental Security Income Program*

The law also provides for Social Security offices to take SNAP applications from eligible or potentially eligible SSI households that are not already receiving nutrition benefits and do not have an application pending. Social Security offices forward the SNAP applications and any supporting documents to the local SNAP offices within 1 day of taking the application. The SNAP office determines eligibility for nutrition benefits.

**Table III.H1.—SSI State Supplementation<sup>a</sup> and Coordination with Other Programs**

United States and District of Columbia	Optional State program— Administered by:			Method of mandatory passalong of benefit increases from cost-of-living adjustments		Medicaid eligibility determination—			Interim assistance reimbursement agreement with SSA
	State	Federal (SSA)	Federal & State	Payment levels	Total expenditures	Based on:		Agreement with SSA to determine eligibility	
						Federal criteria	State criteria		
Alabama <sup>b</sup>	*			*		*		*	
Alaska	*				*	*			*
Arizona						*		*	*c
Arkansas <sup>d</sup>				*		*		*	
California <sup>e</sup>		*		*		*		*	*
Colorado	*				*	*		*	*
Connecticut <sup>b</sup>	*			*			*		*
Delaware <sup>e</sup>			*	*		*		*	
District of Columbia <sup>e</sup>			*		*	*		*	*
Florida <sup>b</sup>	*			*		*		*	*
Georgia <sup>e</sup>	*			*		*		*	*
Hawaii <sup>b</sup>		*			*		*		*
Idaho	*			*		*			
Illinois	*			*			*		*
Indiana <sup>b</sup>	*			*		*		*	*
Iowa <sup>e</sup>			*	*		*		*	*
Kansas <sup>d</sup>	*			*		*		*	*
Kentucky <sup>b</sup>	*			*		*		*	*
Louisiana <sup>e</sup>	*			*		*		*	
Maine	*			*		*		*	*
Maryland <sup>e</sup>	*			*		*		*	*
Massachusetts	*			*		*		*	*
Michigan <sup>e</sup>			*	*		*		*	*
Minnesota <sup>b</sup>	*			*			*		*
Mississippi <sup>d</sup>				*		*		*	
Missouri	*			*			*		*
Montana <sup>e</sup>		*		*		*		*	*
Nebraska	*				*	*			*
Nevada <sup>b</sup>		*		*		*			*
New Hampshire	*			*			*		* f
New Jersey <sup>e</sup>		*		*		*		*	*
New Mexico	*			*		*		*	* f
New York <sup>e g</sup>			*	*		*		*	*
North Carolina	*			*		*		*	*
North Dakota <sup>b</sup>							*		
Ohio <sup>e</sup>	*			*			*		*
Oklahoma	*				*		*		
Oregon	*				*	*			*
Pennsylvania <sup>e</sup>			*	*		*		*	* c
Rhode Island <sup>b</sup>			*	*		*		*	* f
South Carolina <sup>b</sup>	*			*		*		*	
South Dakota <sup>e</sup>	*			*		*		*	
Tennessee <sup>d</sup>				*		*		*	
Texas <sup>h</sup>	*			*		*		*	
Utah <sup>b</sup>	*			*		*			*
Vermont <sup>b</sup>		*		*		*		*	* c
Virginia <sup>b</sup>	*			*			*		* c
Washington	*				*	*		*	*
West Virginia <sup>h</sup>						*		*	
Wisconsin	*				*	*		*	*
Wyoming	*			*		*		*	
Total	32	6	7	39	9	41	10	34	37

<sup>a</sup> See body of text for description of the various forms of State supplementation.

<sup>b</sup> State has no recipients receiving mandatory minimum State supplementation.

<sup>c</sup> State no longer pays State or local payment that meet the IAR criteria. State still has a valid IAR agreement with SSA.

<sup>d</sup> Mandatory minimum State supplementation program is federally administered. No optional program.

<sup>e</sup> Mandatory minimum State supplementation program is federally administered.

<sup>f</sup> State provides assistance only in initial application cases. No assistance provided during periods that SSI benefits are suspended or terminated.

<sup>g</sup> Effective October 1, 2014 New York will take over administration of its State supplementation program.

<sup>h</sup> State does not have a mandatory minimum State supplementation program.

#### **IV. ESTIMATES OF PROGRAM RECIPIENTS AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 2014-2038**

As section III explains, an individual must meet certain requirements related to his or her income and resources to be eligible for SSI payments. In addition, all persons under age 65, and certain individuals age 65 or older, must be blind or disabled. Consequently, future SSI program expenditures will depend on a variety of difficult-to-foresee factors, including the performance of national and local economies, distribution of personal income, the prevalence of disability in the general population, and the determination of disability according to the definition in the Act. Nonetheless, for planning purposes, we must develop the best possible projections of future SSI program recipients and expenditures.

This section presents projections of program recipients and expenditures under the SSI program for a period of 25 years. The projections rely on the intermediate demographic and economic assumptions developed for the 2014 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds,<sup>1</sup> and they assume that the present statutory provisions and regulations under which the SSI program operates will not change during the projection period. The current projection model starts with estimates of the general population by single year of age and gender. We project transitions into SSI payment status separately for: (1) new recipients resulting from an application for program benefits; and (2) returns to payment status from suspended status. We project movements out of payment status separately for: (1) terminations due to death; and (2) suspensions of payment for all other reasons.<sup>2</sup> We re-examine and if warranted, revise the assumptions and methods the model uses each year in light of recent experience and new information about future conditions.

##### ***A. DEMOGRAPHIC AND ECONOMIC ASSUMPTIONS***

We first present select demographic and economic projections from the 2014 Trustees Report that we used for the SSI projections in this SSI Annual Report. The single economic parameter that has the most direct effect on the level of SSI benefits is the Consumer Price Index for Urban Wage Earners and Clerical Workers (hereafter denoted as CPI),<sup>3</sup> which is used for indexing the SSI Federal benefit rate. Sections V.A and V.B of the Trustees Report present a detailed discussion of these demographic and economic projections. An important feature of the intermediate assumptions in the 2014 Trustees Report is a gradual recovery from the economic downturn that began in late 2007. This downturn generated a significant increase in applications for SSI disability payments, resulting in an increase in projected SSI expenditures. We expect the level of applications to decline over the next several years as the economy recovers.

The following two tables summarize two key parameters underlying the estimates in this report. Table IV.A1 presents population projections by selected age subgroups that are consistent with the presentation of SSI recipient projections in the next section. Table IV.A2 presents a complete history of the Federal benefit rates and Federal benefit rate increases since the inception of the program, along with projections of such amounts consistent with the economic assumptions underlying the SSI expenditure estimates in section IV.C.

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<sup>1</sup> House Document 113-139 published July 28, 2014.

<sup>2</sup> The two main reasons for suspension of SSI payments are: (1) failure to satisfy income and resource limitations of the SSI program; and (2) recovery from a qualifying disability.

<sup>3</sup> Historical values of the CPI are developed and published by the Bureau of Labor Statistics.

**Table IV.A1.—Historical and Projected Social Security Area Population based on the Intermediate Assumptions of the 2014 OASDI Trustees Report, as of July 1, 1974-2038**  
[In thousands]

Year	Age groups <sup>a</sup>						Total all ages
	0-17	18-34	35-49	50-64	65-74	75 or older	
<b>Historical data:</b>							
1974 .....	71,012	59,833	36,386	32,823	13,862	8,917	222,833
1975 .....	70,011	61,815	36,360	33,185	14,175	9,141	224,687
1976 .....	68,983	63,743	36,474	33,466	14,495	9,416	226,576
1977 .....	68,072	65,469	36,803	33,739	14,828	9,682	228,594
1978 .....	67,254	67,051	37,342	33,978	15,181	9,935	230,741
1979 .....	66,536	68,641	37,962	34,137	15,511	10,211	232,999
1980 .....	65,982	70,196	38,520	34,256	15,813	10,495	235,263
1981 .....	65,570	71,431	39,328	34,318	16,089	10,793	237,529
1982 .....	65,269	72,152	40,701	34,269	16,367	11,112	239,870
1983 .....	65,096	72,620	42,251	34,175	16,607	11,436	242,186
1984 .....	65,082	72,979	43,747	34,082	16,828	11,743	244,461
1985 .....	65,243	73,199	45,255	33,946	17,097	12,048	246,788
1986 .....	65,490	73,317	46,821	33,778	17,403	12,350	249,158
1987 .....	65,723	73,379	48,460	33,659	17,683	12,646	251,551
1988 .....	65,961	73,422	50,134	33,624	17,915	12,943	253,999
1989 .....	66,352	73,314	51,875	33,675	18,105	13,263	256,584
1990 .....	67,191	72,935	53,659	33,790	18,329	13,606	259,510
1991 .....	68,382	72,304	55,454	33,994	18,599	13,942	262,676
1992 .....	69,561	71,551	57,170	34,420	18,829	14,279	265,811
1993 .....	70,636	70,831	58,738	35,043	18,998	14,606	268,852
1994 .....	71,578	70,121	60,334	35,696	19,105	14,932	271,766
1995 .....	72,351	69,446	62,026	36,299	19,149	15,285	274,557
1996 .....	72,964	68,912	63,462	37,154	19,128	15,652	277,271
1997 .....	73,390	68,566	64,430	38,494	19,056	16,019	279,955
1998 .....	73,653	68,411	65,246	40,007	18,946	16,359	282,622
1999 .....	73,852	68,373	66,056	41,496	18,823	16,669	285,269
2000 .....	74,156	68,515	66,689	43,019	18,743	16,944	288,067
2001 .....	74,537	68,851	67,096	44,575	18,704	17,186	290,948
2002 .....	74,877	69,186	67,276	46,191	18,712	17,399	293,641
2003 .....	75,181	69,508	67,297	47,860	18,791	17,594	296,230
2004 .....	75,479	69,795	67,284	49,585	18,948	17,802	298,893
2005 .....	75,780	70,019	67,285	51,345	19,184	18,000	301,614
2006 .....	76,100	70,306	67,183	53,077	19,534	18,178	304,377
2007 .....	76,375	70,830	66,811	54,734	20,074	18,351	307,174
2008 .....	76,507	71,609	66,200	56,279	20,776	18,490	309,862
2009 .....	76,482	72,468	65,492	57,809	21,506	18,644	312,402
2010 .....	76,343	73,288	64,764	59,377	22,201	18,846	314,819
2011 .....	76,159	74,045	64,072	60,698	23,099	19,058	317,133
2012 .....	76,059	74,715	63,490	61,611	24,322	19,307	319,505
2013 .....	76,180	75,305	63,039	62,412	25,563	19,613	322,113
<b>Projected:</b>							
2014 .....	76,418	75,809	62,761	63,205	26,702	19,961	324,856
2015 .....	76,729	76,224	62,724	63,831	27,819	20,351	327,678
2016 .....	77,105	76,629	62,912	64,223	28,909	20,817	330,595
2017 .....	77,529	77,079	63,235	64,422	29,953	21,396	333,614
2018 .....	78,005	77,600	63,571	64,509	30,976	22,068	336,730
2019 .....	78,576	78,145	63,830	64,563	32,058	22,759	339,931
2020 .....	79,213	78,607	64,015	64,623	33,207	23,436	343,101
2021 .....	79,855	79,030	64,239	64,590	34,218	24,294	346,225
2022 .....	80,459	79,438	64,653	64,307	34,983	25,440	349,279
2023 .....	81,023	79,778	65,306	63,798	35,708	26,629	352,241
2024 .....	81,540	80,049	66,138	63,203	36,486	27,744	355,160
2025 .....	81,997	80,266	67,080	62,574	37,261	28,853	358,032
2026 .....	82,456	80,439	68,039	61,963	37,975	29,980	360,852
2027 .....	82,987	80,569	68,903	61,441	38,578	31,139	363,616
2028 .....	83,631	80,639	69,626	61,028	39,063	32,333	366,320
2029 .....	84,402	80,632	70,182	60,774	39,404	33,565	368,959
2030 .....	85,190	80,648	70,578	60,750	39,547	34,817	371,528
2031 .....	85,905	80,753	70,890	60,930	39,471	36,077	374,025
2032 .....	86,550	80,910	71,179	61,232	39,231	37,346	376,447
2033 .....	87,116	81,113	71,495	61,540	38,942	38,589	378,795
2034 .....	87,594	81,353	71,868	61,770	38,698	39,788	381,070
2035 .....	87,979	81,639	72,251	61,945	38,509	40,953	383,276
2036 .....	88,277	82,021	72,586	62,172	38,300	42,058	385,415
2037 .....	88,501	82,500	72,867	62,587	37,959	43,077	387,491
2038 .....	88,665	83,017	73,105	63,235	37,479	44,009	389,509

<sup>a</sup> Age as of last birthday.

Notes:

1. Totals do not necessarily equal the sums of rounded components.
2. Historical data are estimated and subject to revision.

**Table IV.A2.—SSI Federal Benefit Rate Increases and Levels: Historical and Projected on the Basis of the Intermediate Assumptions of the 2014 OASDI Trustees Report, 1974-2038**

Year	Benefit rate increase <sup>a</sup>	Federal benefit rate		
		Individual	Couple	Essential person <sup>b</sup>
Historical data:				
Initial benefit paid January 1, 1974 <sup>c</sup> .....	—	\$140.00	\$210.00	\$70.00
1974.....	<sup>d</sup> 4.3%	146.00	219.00	73.00
1975.....	8.0	157.70	236.60	78.90
1976.....	6.4	167.80	251.80	84.00
1977.....	5.9	177.80	266.70	89.00
1978.....	6.5	189.40	284.10	94.80
1979.....	9.9	208.20	312.30	104.20
1980.....	14.3	238.00	357.00	119.20
1981.....	11.2	264.70	397.00	132.60
1982.....	7.4	284.30	426.40	142.50
1983.....	<sup>d</sup> 7.0	304.30	456.40	152.50
1984.....	3.5	314.00	472.00	157.00
1985.....	3.5	325.00	488.00	163.00
1986.....	3.1	336.00	504.00	168.00
1987.....	1.3	340.00	510.00	170.00
1988.....	4.2	354.00	532.00	177.00
1989.....	4.0	368.00	553.00	184.00
1990.....	4.7	386.00	579.00	193.00
1991.....	5.4	407.00	610.00	204.00
1992.....	3.7	422.00	633.00	211.00
1993.....	3.0	434.00	652.00	217.00
1994.....	2.6	446.00	669.00	223.00
1995.....	2.8	458.00	687.00	229.00
1996.....	2.6	470.00	705.00	235.00
1997.....	2.9	484.00	726.00	242.00
1998.....	2.1	494.00	741.00	247.00
1999.....	1.3	500.00	751.00	250.00
2000.....	<sup>e</sup> 2.5	<sup>f</sup> 513.00	769.00	257.00
2001.....	3.5	<sup>f</sup> 531.00	796.00	266.00
2002.....	2.6	545.00	817.00	273.00
2003.....	1.4	552.00	829.00	277.00
2004.....	2.1	564.00	846.00	282.00
2005.....	2.7	579.00	869.00	290.00
2006.....	4.1	603.00	904.00	302.00
2007.....	3.3	623.00	934.00	312.00
2008.....	2.3	637.00	956.00	319.00
2009.....	5.8	674.00	1,011.00	338.00
2010.....	0.0	674.00	1,011.00	338.00
2011.....	0.0	674.00	1,011.00	338.00
2012.....	3.6	698.00	1,048.00	350.00
2013.....	1.7	710.00	1,066.00	356.00
2014.....	1.5	721.00	1,082.00	361.00
Projected:				
2015.....	1.5	732.00	1,098.00	366.00
2016.....	2.0	746.00	1,120.00	374.00
2017.....	2.2	763.00	1,144.00	382.00
2018.....	2.4	781.00	1,172.00	391.00
2019.....	2.6	801.00	1,202.00	401.00
2020.....	2.7	823.00	1,235.00	412.00
2021.....	2.7	845.00	1,268.00	423.00
2022.....	2.7	868.00	1,302.00	435.00
2023.....	2.7	892.00	1,338.00	447.00
2024.....	2.7	916.00	1,374.00	459.00
2025.....	2.7	940.00	1,411.00	471.00
2026.....	2.7	966.00	1,449.00	484.00
2027.....	2.7	992.00	1,488.00	497.00
2028.....	2.7	1,019.00	1,528.00	510.00
2029.....	2.7	1,046.00	1,570.00	524.00
2030.....	2.7	1,075.00	1,612.00	538.00
2031.....	2.7	1,104.00	1,655.00	553.00
2032.....	2.7	1,133.00	1,700.00	568.00
2033.....	2.7	1,164.00	1,746.00	583.00
2034.....	2.7	1,195.00	1,793.00	599.00
2035.....	2.7	1,228.00	1,842.00	615.00
2036.....	2.7	1,261.00	1,891.00	632.00
2037.....	2.7	1,295.00	1,943.00	649.00
2038.....	2.7	1,330.00	1,995.00	666.00

<sup>a</sup> Increases prior to 1984 were effective for the payment due on July 1 of the year. Increases shown for 1984 and later are effective for the payment due on January 1 of the year.

<sup>b</sup> A concept carried over from the former State assistance plans. Fewer than 30 of those cases currently remain.

<sup>c</sup> SSA paid benefits in January 1974 using the Federal benefit rates established by Public Law 92-603, enacted October 30, 1972: \$130.00 for individuals; \$195.00 for couples; and \$65.00 for essential persons. SSA subsequently made retroactive payments to adjust initial payments to the higher Federal benefit rates established by Public Law 93-233, enacted December 31, 1973.

<sup>d</sup> Ad hoc increases as specified in the law.

<sup>e</sup> Originally determined as 2.4 percent, but pursuant to Public Law 106-554, enacted December 21, 2000, is effectively now 2.5 percent.

<sup>f</sup> SSA originally paid benefits in 2000 and through July 2001 based on Federal benefit rates of \$512.00 and \$530.00, respectively. Pursuant to Public Law 106-554, beginning in August 2001 SSA made monthly payments based on the higher \$531 amount. SSA made lump-sum compensation payments based on an adjusted benefit rate for months prior to August 2001.

An adjustment is made to the monthly Federal benefit rate in January of each year for which there is an increase in the CPI, and it is identical to the cost-of-living adjustment (COLA)<sup>1</sup> applied to Social Security benefits under the OASDI program after initial benefit eligibility. In previous years, the Federal benefit rate was subject to occasional ad hoc increases, either in place of or in addition to the automatic adjustments. Table V.A1 presents a history of legislation affecting the Federal benefit rate.

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<sup>1</sup> The COLA applicable in January of a given year is equal to the percentage increase in the average CPI for the third quarter of the prior year over the average CPI in the third quarter of the year prior to the last year in which a COLA became effective. If there is an increase, it must be rounded to the nearest tenth of one percent. If there is no increase, or if the rounded increase is zero, there is no COLA. This unusual situation occurred in 2010 and 2011, as shown in table IV.A2.

## B. NUMBERS OF SSI PROGRAM RECIPIENTS

This section presents projections of the numbers of persons receiving federally administered SSI payments by category and age group.<sup>1</sup> The SSI recipient categories of: (1) aged; or (2) blind or disabled identify the criteria under which the recipient established eligibility for SSI benefits. The following paragraphs discuss the recipient categories in more detail.

- *Aged* recipients establish their eligibility for SSI benefits by meeting the age-65-or-older requirement<sup>2</sup> and other SSI eligibility requirements. In December 2013, 1.2 million aged individuals received federally administered SSI payments.
- *Blind or disabled* recipients establish their eligibility for SSI benefits by meeting the definition of blindness or disability and the applicable income and resource limits as well as any other SSI eligibility requirements. In December 2013, there were 7.2 million blind or disabled recipients of federally administered SSI payments. These recipients can fall into two subcategories based on age: *blind or disabled adults* (age 18 or older) and *blind or disabled children* (under age 18).
  - *Blind or disabled adults* meet the definition of blindness or disability for individuals age 18 or older and SSI income and resource limits. Students age 18 to 21 must meet the adult definition of disability; they differ from other adults only in that they qualify for a special student earned income exclusion. When blind or disabled adult recipients reach age 65, we generally continue to classify them as blind or disabled adults (rather than aged). In December 2013, 5.9 million blind or disabled individuals age 18 or older received federally administered SSI payments, including 950 thousand disabled or blind recipients age 65 or older.
  - *Blind or disabled children* meet the definition of blindness or disability for individuals under age 18. These children are subject to parent-to-child deeming until they reach the age of 18. At age 18 these individuals continue to be eligible for SSI if they meet the definition of blindness or disability for individuals age 18 or older as well as other eligibility criteria. We reclassify those who continue to be eligible after age 18 as blind or disabled adults. In December 2013, 1.3 million blind or disabled individuals under age 18 received federally administered SSI payments.

Table IV.B1 presents historical and projected numbers of persons applying for SSI benefits by calendar year. Figure IV.B1 presents the same information as a graph. Following a 4-year period in the mid-2000s when applications remained fairly level at 2.1 million per year, applications started increasing in 2008, largely due to the severe economic recession that began at the end of 2007 and continued into 2009. The level of applications, which continued to increase through 2010, decreased only slightly in 2011 as the economy recovered slowly but decreased at a faster rate in 2012 and 2013 as the economic recovery continued. We are projecting that applications will decline to 2.1 million in 2014 and remain roughly at that lower level through 2023, reflecting the impact of some individuals having come on the SSI rolls earlier due to the economic downturn, and then grow slightly, leveling off at about 2.2 million per year in 2024.

The projected ultimate growth pattern of the applications incorporates continued refinement in our projection methodology designed to make the projections more consistent with the assumptions underlying the OASDI Trustees Report. Those projected applications reflect: (1) the expectation that the portion of the population that meets SSI income and resource requirements will decline over time as the CPI, and therefore the SSI Federal benefit rate, is projected to grow at a slower rate than average wages and income generally; and (2) the slower growth projected for the portion of the Social Security area population composed of U.S. citizens or legal immigrants as compared to the overall population because SSI recipients must come from this portion of the population.

<sup>1</sup> We project recipient flows on a calendar-year-age basis, with activity throughout a given year tabulated according to age at the end of the calendar year. Tabulations of recipients in current-payment status are provided as of December of each calendar year at which time calendar year of age and age last birthday are the same. However, we summarize the tabulations that reflect activity throughout the calendar year according to calendar year of age, and thus they will not correspond precisely to tabulations summarized according to age last birthday. For example, applications for the 0-17 age group for a given calendar year include applications only for those individuals who are under 18 at the end of the calendar year.

<sup>2</sup> Individuals may apply for SSI benefits based on age as of the day preceding their 65th birthday.



**Table IV.B1.—SSI Federally Administered Applications,<sup>a</sup> Calendar Years 1974-2038**  
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
<b>Historical data:</b>											
1974 <sup>b, c</sup> .....	125	590	626	1,303	158	20	1,434	1,496	2,822	2,931	5,752
1975 <sup>b</sup> .....	94	276	258	443	15	<sup>d</sup>	238	145	1,086	382	1,468
1976 .....	82	260	250	384	8	<sup>d</sup>	175	80	984	254	1,239
1977 .....	100	286	246	401	7	1	174	84	1,040	259	1,298
1978 .....	94	276	256	413	7	<sup>d</sup>	170	88	1,046	258	1,304
1979 .....	106	282	268	426	7	<sup>d</sup>	178	84	1,090	262	1,352
1980 .....	122	310	272	438	8	1	187	89	1,151	276	1,427
1981 .....	78	206	173	271	5	<sup>d</sup>	88	42	733	130	864
1982 .....	88	246	206	278	11	1	93	48	830	141	971
1983 .....	102	258	225	311	5	1	122	68	902	190	1,092
1984 .....	103	267	247	321	7	<sup>d</sup>	178	108	944	286	1,230
1985 .....	114	294	297	409	7	<sup>d</sup>	151	73	1,122	223	1,345
1986 .....	122	316	334	426	7	1	150	81	1,205	231	1,437
1987 .....	108	287	299	331	7	1	134	66	1,033	200	1,233
1988 .....	114	282	301	317	7	1	131	69	1,021	200	1,221
1989 .....	116	297	323	329	7	<sup>d</sup>	146	76	1,072	222	1,294
1990 .....	149	335	380	356	6	<sup>d</sup>	156	71	1,226	227	1,454
1991 .....	237	391	453	391	7	<sup>d</sup>	159	68	1,479	227	1,706
1992 .....	339	453	522	407	8	<sup>d</sup>	163	64	1,728	226	1,955
1993 .....	473	506	570	416	7	<sup>d</sup>	158	61	1,973	218	2,191
1994 .....	517	492	571	402	6	<sup>d</sup>	136	52	1,989	188	2,177
1995 .....	473	435	524	363	6	<sup>d</sup>	121	44	1,801	165	1,966
1996 .....	431	393	500	345	9	1	108	44	1,678	153	1,831
1997 .....	306	317	438	307	8	1	82	35	1,377	117	1,494
1998 .....	318	317	453	331	9	1	96	39	1,428	136	1,563
1999 .....	338	317	470	336	6	<sup>d</sup>	107	39	1,468	145	1,614
2000 .....	337	321	486	341	6	<sup>d</sup>	102	39	1,493	140	1,633
2001 .....	351	346	502	354	4	<sup>d</sup>	98	35	1,558	134	1,691
2002 .....	385	388	550	384	4	<sup>d</sup>	105	38	1,711	142	1,853
2003 .....	400	404	565	408	4	<sup>d</sup>	100	36	1,781	135	1,916
2004 .....	420	438	604	452	4	<sup>d</sup>	101	37	1,919	138	2,057
2005 .....	429	439	604	477	5	<sup>d</sup>	112	44	1,954	156	2,110
2006 .....	415	437	584	484	4	<sup>d</sup>	109	41	1,925	150	2,075
2007 .....	421	442	578	502	5	<sup>d</sup>	105	39	1,948	143	2,091
2008 .....	434	482	593	535	5	<sup>d</sup>	109	38	2,048	147	2,195
2009 .....	497	578	666	612	5	<sup>d</sup>	110	37	2,359	147	2,506
2010 .....	503	599	666	645	5	1	110	38	2,419	148	2,567
2011 .....	498	588	646	662	6	1	114	39	2,400	153	2,553
2012 .....	474	555	605	651	5	1	111	36	2,291	147	2,438
2013 .....	425	484	534	618	5	1	112	36	2,066	148	2,214
<b>Projected:</b>											
2014 .....	403	454	513	562	6	<sup>d</sup>	114	35	1,939	149	2,088
2015 .....	412	473	529	558	6	<sup>d</sup>	118	37	1,978	155	2,133
2016 .....	410	471	526	554	6	<sup>d</sup>	121	37	1,967	158	2,125
2017 .....	409	467	523	548	6	<sup>d</sup>	123	38	1,954	162	2,115
2018 .....	407	462	518	540	6	<sup>d</sup>	126	39	1,934	166	2,099
2019 .....	407	459	514	535	6	<sup>d</sup>	129	40	1,921	170	2,090
2020 .....	408	457	510	530	7	<sup>d</sup>	133	41	1,912	174	2,085
2021 .....	410	457	509	525	7	<sup>d</sup>	135	43	1,908	178	2,086
2022 .....	416	463	518	524	7	<sup>d</sup>	137	45	1,928	181	2,109
2023 .....	426	472	532	524	7	<sup>d</sup>	138	46	1,961	184	2,146
2024 .....	430	475	542	518	7	<sup>d</sup>	139	48	1,972	187	2,159
2025 .....	431	474	548	508	7	<sup>d</sup>	141	49	1,969	190	2,159
2026 .....	433	473	554	500	7	<sup>d</sup>	141	51	1,967	192	2,158
2027 .....	434	471	559	493	7	<sup>d</sup>	141	52	1,964	193	2,157
2028 .....	436	469	562	488	7	<sup>d</sup>	141	53	1,962	194	2,157
2029 .....	439	466	564	486	7	<sup>d</sup>	140	55	1,961	195	2,155
2030 .....	440	464	564	485	7	<sup>d</sup>	137	56	1,960	194	2,154
2031 .....	441	463	565	485	6	<sup>d</sup>	134	58	1,960	192	2,152
2032 .....	442	462	565	485	6	<sup>d</sup>	132	59	1,960	191	2,151
2033 .....	442	462	566	484	6	<sup>d</sup>	130	60	1,960	190	2,151
2034 .....	442	462	567	484	6	<sup>d</sup>	128	62	1,961	190	2,152
2035 .....	442	462	567	485	6	<sup>d</sup>	127	63	1,963	190	2,153
2036 .....	441	463	568	487	6	<sup>d</sup>	125	64	1,965	189	2,154
2037 .....	440	465	567	490	6	<sup>d</sup>	122	65	1,968	186	2,154
2038 .....	439	466	567	495	6	<sup>d</sup>	118	65	1,972	183	2,155

<sup>a</sup> Based on data reported in the Integrated Workload Management System (formerly known as the District Office Workload Report).

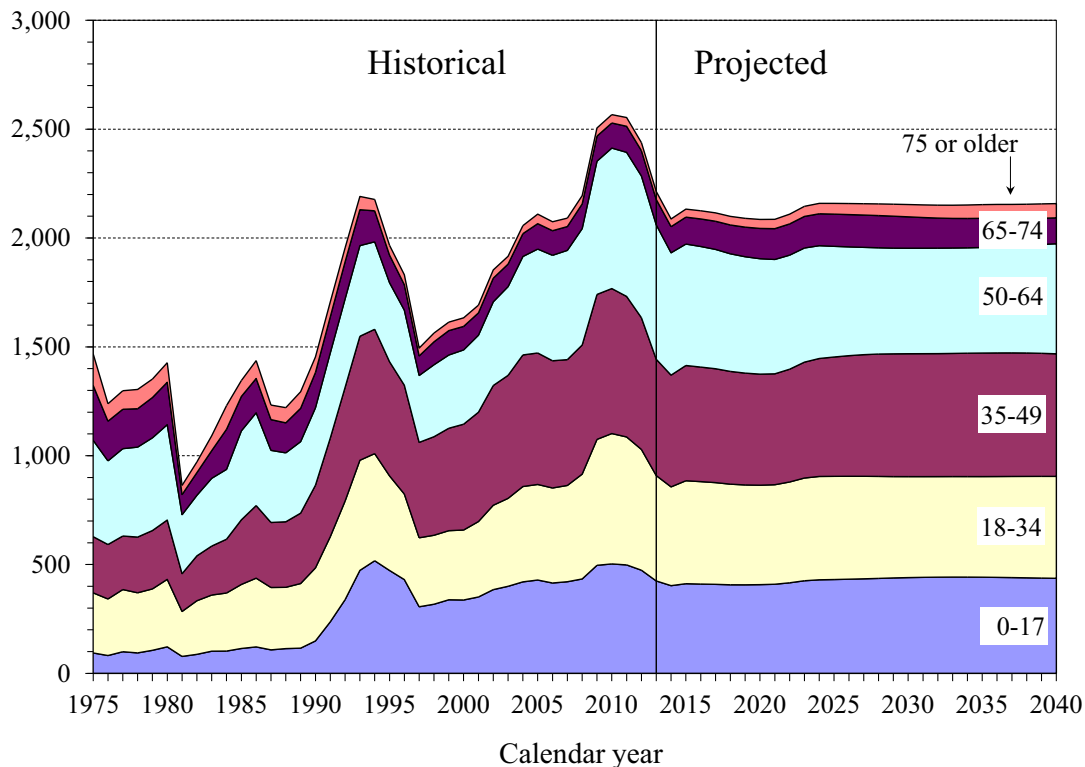
<sup>b</sup> “All” column estimated by the Office of Research, Evaluation, and Statistics using a 10-percent sample and published in the SSI Annual Statistical Report.

<sup>c</sup> Includes conversions from State programs and applications received in 1973.

<sup>d</sup> Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

**Figure IV.B1.—SSI Federally Administered Applications by Age Group, Calendar Years 1975-2040**  
[In thousands]



As part of SSA’s adjudication of these applications, we evaluate levels of income and resources available to the applicants as well as other eligibility factors including marital and citizenship status and living arrangements. In addition, well over 90 percent of the SSI applications are for disability payments that require the DDS to evaluate the alleged impairment. Applicants may appeal an unfavorable disability determination through several administrative levels of appeal. If an applicant exhausts all administrative levels of appeal, he or she may appeal to the Federal courts.<sup>1</sup>

Table IV.B2 and figure IV.B2 present historical and projected numbers of persons who start receiving SSI payments as a result of this decision process. We count individuals as of the first month that they move into SSI payment status. For this reason, we refer to these individuals as “new recipients” rather than “awards.”<sup>2</sup> From 2004 to 2007, the numbers of new recipients remained fairly level, roughly consistent with the applications received during this period. Starting in 2008, however, the numbers of new recipients increased substantially. This increase is attributable to: (1) the sharp increase in applications due to the economic downturn; (2) improvements in claims processing; and (3) initiatives to accelerate the processing of cases pending adjudication.

<sup>1</sup> See section V.C for data on recent experience in the disability decision process.

<sup>2</sup> In addition, these counts differ slightly from other similar totals identified as “awards” and published by the Office of Research, Evaluation, and Statistics (ORES) in the *Annual Statistical Supplement to the Social Security Bulletin*. The ORES totals are similar in concept to those used in this report, but differ slightly due to the timing of the action being tabulated. For example, ORES does not count a disability benefit as being awarded until the disability decision is made. In contrast, under the procedures used in this report, individuals first coming on the SSI rolls through a finding of presumptive disability would be counted as a “new recipient” in the first month of presumptive disability payment.

**Table IV.B2.—SSI Federally Administered New Recipients, Calendar Years 1974-2038**  
[In thousands]

Calendar year <sup>a</sup>	Blind or disabled, by age group					Aged, by age group			Totals <sup>b</sup>		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 <sup>c</sup> .....	63	390	381	925	141	18	1,211	1,268	1,919	2,479	4,398
1975.....	58	133	105	272	16	<sup>d</sup>	216	131	584	347	931
1976.....	43	105	88	207	9	<sup>d</sup>	147	70	452	218	669
1977.....	48	104	84	184	8	1	140	69	429	209	637
1978.....	43	92	76	154	6	<sup>d</sup>	127	66	370	193	563
1979.....	44	87	62	133	4	<sup>d</sup>	116	53	330	169	499
1980.....	41	92	61	142	4	<sup>d</sup>	125	59	341	184	524
1981.....	37	77	49	106	3	<sup>d</sup>	80	37	272	117	389
1982.....	38	63	51	90	4	<sup>d</sup>	72	31	245	103	348
1983.....	47	88	62	117	3	<sup>d</sup>	95	51	317	146	463
1984.....	47	109	78	142	4	<sup>d</sup>	131	78	380	209	589
1985.....	48	104	80	148	4	<sup>d</sup>	106	46	384	152	536
1986.....	55	127	109	153	5	<sup>d</sup>	110	51	449	161	610
1987.....	48	119	106	157	5	<sup>d</sup>	116	52	435	167	602
1988.....	50	101	108	146	5	1	112	56	412	167	579
1989.....	48	113	115	155	5	<sup>d</sup>	127	62	436	189	625
1990.....	76	136	134	182	5	<sup>d</sup>	149	66	533	215	748
1991.....	126	146	172	200	6	<sup>d</sup>	139	54	650	193	844
1992.....	221	199	221	233	6	<sup>d</sup>	133	48	881	181	1,062
1993.....	235	194	221	225	6	<sup>d</sup>	136	49	881	185	1,066
1994.....	204	164	207	215	6	<sup>d</sup>	116	42	796	157	953
1995.....	177	147	207	218	5	<sup>d</sup>	105	36	755	141	895
1996.....	145	134	193	203	6	1	93	35	681	128	809
1997.....	116	111	171	178	4	<sup>d</sup>	68	25	580	93	673
1998.....	135	117	181	194	7	1	78	30	634	108	742
1999.....	140	114	186	195	5	<sup>d</sup>	88	33	640	120	760
2000.....	145	112	180	191	5	<sup>d</sup>	84	31	633	115	748
2001.....	157	121	185	198	4	<sup>d</sup>	79	28	665	107	772
2002.....	171	128	195	212	4	<sup>d</sup>	82	29	710	111	821
2003.....	180	132	194	214	4	<sup>d</sup>	77	27	724	104	828
2004.....	183	138	202	231	4	<sup>d</sup>	78	27	757	105	862
2005.....	178	131	192	238	4	<sup>d</sup>	81	29	744	111	854
2006.....	175	128	190	243	3	<sup>d</sup>	81	28	739	109	849
2007.....	172	128	186	252	3	<sup>d</sup>	75	27	741	103	844
2008.....	183	146	204	289	4	<sup>d</sup>	79	26	825	105	930
2009.....	198	161	214	322	4	<sup>d</sup>	80	26	900	106	1,006
2010.....	205	173	221	346	4	<sup>d</sup>	80	26	949	106	1,055
2011.....	202	163	206	356	4	<sup>d</sup>	83	27	932	110	1,042
2012.....	190	148	181	340	4	<sup>d</sup>	85	25	863	110	973
2013.....	177	134	158	333	4	<sup>d</sup>	86	26	806	112	918
Projected:											
2014.....	167	127	157	297	5	<sup>d</sup>	90	26	752	116	868
2015.....	170	132	167	300	5	<sup>d</sup>	89	26	774	115	889
2016.....	171	134	169	297	5	<sup>d</sup>	91	26	776	118	894
2017.....	170	136	170	291	6	<sup>d</sup>	93	27	773	120	893
2018.....	170	136	169	286	6	<sup>d</sup>	95	27	766	122	889
2019.....	174	138	171	288	6	<sup>d</sup>	99	29	777	127	904
2020.....	171	135	167	280	6	<sup>d</sup>	98	28	759	126	886
2021.....	172	135	166	278	6	<sup>d</sup>	99	29	758	129	886
2022.....	174	136	168	276	7	<sup>d</sup>	100	31	762	131	893
2023.....	177	138	172	275	7	<sup>d</sup>	101	32	769	133	902
2024.....	182	142	178	276	7	<sup>d</sup>	104	34	785	138	923
2025.....	180	139	177	267	7	<sup>d</sup>	103	34	769	137	906
2026.....	180	138	179	262	7	<sup>d</sup>	103	35	765	138	903
2027.....	180	138	180	258	7	<sup>d</sup>	103	36	763	139	901
2028.....	181	137	181	255	7	<sup>d</sup>	103	37	760	139	900
2029.....	182	136	182	253	6	<sup>d</sup>	102	38	758	139	898
2030.....	186	138	186	257	6	<sup>d</sup>	102	39	772	141	913
2031.....	183	135	182	252	6	<sup>d</sup>	98	40	758	137	895
2032.....	182	134	182	251	6	<sup>d</sup>	95	41	756	136	892
2033.....	182	135	182	250	6	<sup>d</sup>	94	41	756	135	891
2034.....	182	135	183	250	6	<sup>d</sup>	93	42	756	135	891
2035.....	182	135	183	250	6	<sup>d</sup>	92	43	757	135	892
2036.....	185	138	187	256	6	<sup>d</sup>	92	44	773	136	909
2037.....	181	136	183	253	5	<sup>d</sup>	88	44	758	131	889
2038.....	181	136	182	255	5	<sup>d</sup>	85	44	759	129	888

<sup>a</sup> Represents period in which first payment was made, not date of first eligibility for payments.

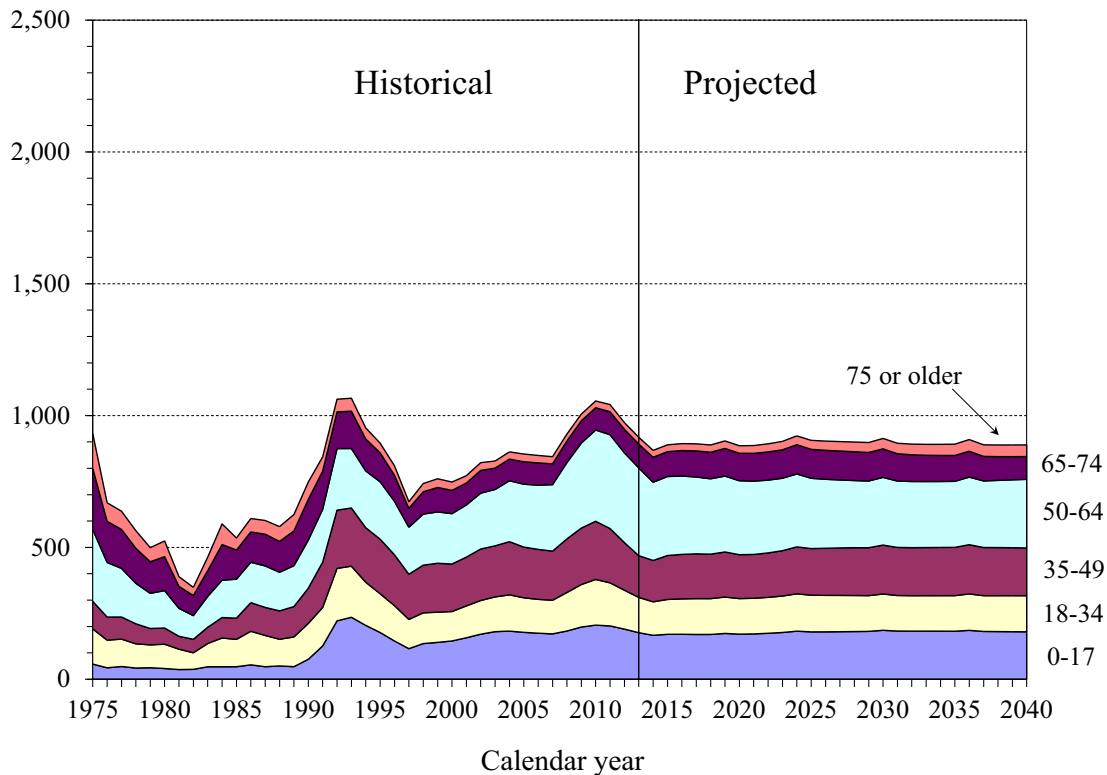
<sup>b</sup> Historical totals estimated based on 1-percent or 10-percent sample data.

<sup>c</sup> Totals for 1974 include recipients converted from previous State programs as well as new recipients to the SSI program during 1974.

<sup>d</sup> Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

**Figure IV.B2.—SSI Federally Administered New Recipients by Age Group, Calendar Years 1975-2040**  
[In thousands]



The numbers of new recipients declined slightly in 2011 and more sharply in 2012 and 2013, similar to the change in applications. Consistent with the pattern of projected applications, we project the total number of new recipients to continue to decline through 2014. Over the longer term, we project the number of new recipients to level off and remain roughly level throughout the projection period.

Some persons receiving SSI benefits in a year will stop receiving payments during the year because of death or the loss of SSI eligibility. SSA uses two primary tools to assess continuing eligibility: (1) a non-medical redetermination; and (2) a medical continuing disability review (CDR).<sup>1</sup> In a redetermination, we reexamine the recipient's nonmedical factors of eligibility, including income and resources. In a medical CDR, we determine whether the recipient continues to meet the Social Security Act's definition of disability. For example, disabled children, upon attainment of age 18, lose eligibility if they do not qualify for benefits under the disabled adult eligibility criteria. We refer to the net reduction in the number of SSI recipients in current-payment status during a period as the number of SSI terminations for that period.

For purposes of presentation in the following tables, we use the general label “terminations” to refer to the total of: (1) deaths while in current-payment status during the period; plus (2) the number of persons during the period moving out of payment status into suspended status less those returning to payment status from suspended status. In these tables, we have separated the numbers of total terminations into those two categories: (1) terminations due to death (table IV.B3); and (2) net suspensions of payments for all other reasons (table IV.B4). Table IV.B5 and figure IV.B3 present historical and projected numbers of total terminations by calendar year. The overall total number of terminations in 2013 decreased by about 1 percent from 2012. This decrease in the number of federally administered terminations is primarily attributable to a decrease in the number of new SSI recipients concurrently eligible for OASDI disability benefits

<sup>1</sup> Including redeterminations of disabled children at age 18 under the adult disability standard. We present some historical details on income and resource redeterminations and the results of continuing disability reviews in section V.D. Section V.E presents information on certain incentive programs intended to encourage disabled SSI recipients to return to work.

who received SSI benefits only temporarily during the 5-month Social Security Disability Insurance waiting period.

**Table IV.B3.—SSI Federally Administered Terminations Due to Death<sup>a</sup>, Calendar Years 1974-2038**  
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group		Totals <sup>b</sup>			
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 .....	<sup>c</sup>	3	8	34	7	2	40	97	55	137	192
1975 .....	1	5	12	35	10	2	39	108	65	147	212
1976 .....	2	5	9	36	12	1	34	103	64	137	201
1977 .....	1	5	12	30	15	1	36	101	65	137	203
1978 .....	2	5	8	34	16	2	31	95	67	126	193
1979 .....	2	6	9	32	18	2	29	92	67	121	189
1980 .....	3	5	9	31	22	1	27	100	71	127	198
1981 .....	3	5	8	31	24	2	21	92	73	112	186
1982 .....	3	4	8	28	21	2	16	80	65	96	161
1983 .....	3	6	8	25	21	3	15	79	65	94	158
1984 .....	3	4	9	29	18	5	13	83	67	96	163
1985 .....	2	6	10	29	24	6	17	84	77	101	178
1986 .....	2	8	12	28	22	8	15	83	80	98	178
1987 .....	3	8	13	30	23	10	15	82	87	97	184
1988 .....	5	8	14	31	25	12	16	81	95	97	191
1989 .....	3	8	16	33	23	12	15	78	95	93	187
1990 .....	4	9	18	36	22	14	16	75	103	92	194
1991 .....	4	9	20	39	23	17	17	74	112	91	203
1992 .....	4	11	22	38	22	15	16	69	111	84	195
1993 .....	6	13	27	41	23	17	16	72	127	88	215
1994 .....	6	14	27	41	23	17	16	69	127	85	212
1995 .....	6	13	30	43	24	18	16	65	135	81	216
1996 .....	7	12	30	44	24	18	16	67	135	83	218
1997 .....	5	10	24	43	24	19	15	64	127	79	206
1998 .....	5	9	24	43	25	20	14	64	127	78	205
1999 .....	5	9	25	45	25	21	13	63	131	76	207
2000 .....	5	8	27	46	25	21	12	61	132	73	205
2001 .....	5	8	28	47	25	22	11	60	135	71	207
2002 .....	5	8	28	49	24	21	11	58	135	70	205
2003 .....	5	9	28	51	26	21	10	56	138	66	204
2004 .....	5	8	27	52	25	22	10	56	140	65	205
2005 .....	5	8	28	54	25	22	9	54	141	63	204
2006 .....	5	8	27	55	25	22	9	54	143	62	205
2007 .....	5	8	26	57	25	23	8	54	145	62	207
2008 .....	5	8	25	60	25	21	8	53	144	62	206
2009 .....	5	9	25	64	26	22	8	52	150	60	210
2010 .....	4	8	22	63	26	22	8	50	146	58	204
2011 .....	5	9	21	66	26	23	8	50	149	58	207
2012 .....	5	9	22	69	27	23	8	51	154	58	212
2013 .....	4	9	21	70	28	25	7	50	157	58	215
Projected:											
2014 .....	4	9	20	74	27	25	7	47	160	54	214
2015 .....	4	9	20	75	28	25	7	47	161	54	215
2016 .....	4	9	19	74	29	26	7	47	162	54	216
2017 .....	4	9	19	74	30	26	7	47	162	54	216
2018 .....	4	9	19	72	31	26	7	47	162	55	216
2019 .....	4	9	19	71	33	27	7	47	161	55	216
2020 .....	4	9	18	69	34	27	7	47	161	55	216
2021 .....	4	9	18	68	35	27	8	47	161	55	216
2022 .....	4	9	18	66	36	28	7	47	161	55	216
2023 .....	4	9	18	65	37	28	7	48	161	55	216
2024 .....	4	9	19	64	38	29	8	48	161	55	217
2025 .....	4	9	19	62	38	30	8	48	162	56	217
2026 .....	3	9	19	61	39	31	8	48	162	56	218
2027 .....	3	8	19	60	39	32	8	49	162	57	218
2028 .....	3	8	19	59	39	33	8	49	162	57	219
2029 .....	3	8	19	58	38	35	7	50	162	58	219
2030 .....	3	8	19	58	37	36	7	51	162	58	220
2031 .....	3	8	19	58	37	37	7	52	162	59	221
2032 .....	3	8	19	57	36	39	7	52	162	60	222
2033 .....	3	8	19	57	35	40	7	53	162	60	222
2034 .....	3	8	19	57	34	41	7	54	162	61	223
2035 .....	3	8	19	56	33	42	7	55	162	62	224
2036 .....	3	8	19	56	33	44	6	56	162	63	225
2037 .....	3	8	19	56	32	44	6	57	162	63	225
2038 .....	3	8	18	57	31	45	6	58	162	64	226

<sup>a</sup> Terminations where the death of the SSI recipient was recorded in SSA administrative systems as of the first month of nonpayment of SSI benefits.

<sup>b</sup> Historical totals estimated based on 1-percent or 10-percent sample data.

<sup>c</sup> Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

Program Recipients and Federal Expenditures

**Table IV.B4.—SSI Federally Administered Terminations Due to Reasons Other Than Death,<sup>a</sup> Calendar Years 1974-2038**  
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals <sup>b</sup>		All
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	
<b>Historical data:</b>											
1974 .....	5	33	34	69	12	2	27	29	154	56	210
1975 .....	7	50	44	104	15	2	88	91	221	180	401
1976 .....	11	70	61	139	24	1	107	133	306	240	546
1977 .....	13	65	56	110	19	1	76	92	265	168	433
1978 .....	11	64	49	97	18	1	64	86	241	150	391
1979 .....	12	59	43	96	23	1	58	85	234	144	378
1980 .....	19	48	43	80	23	1	44	77	214	121	334
1981 .....	17	43	39	72	21	1	49	86	192	134	326
1982 .....	19	48	43	79	23	1	50	87	212	137	348
1983 .....	18	43	36	63	14	1	25	61	175	86	261
1984 .....	13	51	37	77	21	1	37	60	200	98	298
1985 .....	11	42	37	68	13	2	23	54	172	77	249
1986 .....	18	49	47	73	16	3	34	60	206	94	300
1987 .....	19	51	48	75	17	3	32	57	214	89	302
1988 .....	19	52	51	74	15	5	33	59	216	93	309
1989 .....	19	55	52	72	16	4	33	58	218	91	308
1990 .....	14	52	57	73	17	8	40	68	221	108	330
1991 .....	20	50	70	84	18	5	33	58	248	91	339
1992 .....	39	68	94	103	19	8	34	56	329	90	419
1993 .....	34	73	97	106	22	8	37	55	340	92	433
1994 .....	41	73	101	107	18	8	32	49	348	81	429
1995 .....	47	81	111	115	20	7	32	48	382	80	461
1996 .....	47	89	128	119	21	8	29	49	413	78	491
1997 .....	128	105	147	115	18	8	24	40	522	64	586
1998 .....	67	89	112	110	19	8	22	38	406	61	466
1999 .....	119	111	120	116	20	9	24	43	495	68	563
2000 .....	84	99	111	112	22	9	22	38	437	61	498
2001 .....	65	95	111	118	20	9	22	38	418	60	478
2002 .....	78	100	122	133	20	9	20	35	463	55	517
2003 .....	72	95	122	135	20	9	20	36	453	56	509
2004 .....	85	101	136	156	23	9	24	38	510	62	572
2005 .....	64	101	129	157	20	8	15	30	479	45	524
2006 .....	56	96	131	162	21	8	19	30	473	50	522
2007 .....	46	108	124	160	20	8	18	29	466	48	513
2008 .....	63	112	131	185	20	8	18	27	518	45	563
2009 .....	61	124	141	214	27	10	25	37	576	63	639
2010 .....	76	122	131	209	21	8	22	28	565	50	615
2011 .....	73	128	126	222	23	8	23	31	580	54	634
2012 <sup>c</sup> .....	66	125	119	214	8	2	37	41	533	78	611
2013 .....	76	120	108	214	22	9	22	31	549	53	602
<b>Projected:</b>											
2014 <sup>d</sup> .....	69	136	116	225	27	11	26	33	586	59	645
2015 .....	68	140	113	212	23	11	21	26	567	48	615
2016 .....	76	136	110	211	24	11	22	27	569	49	618
2017 .....	105	138	112	213	26	12	23	27	606	50	656
2018 .....	79	144	118	217	28	12	23	28	597	51	649
2019 .....	68	141	116	211	29	13	23	29	578	53	630
2020 .....	71	142	115	206	30	13	23	30	578	53	631
2021 .....	75	139	114	200	32	13	24	30	573	54	628
2022 .....	72	142	114	194	33	14	24	31	569	55	624
2023 .....	72	139	116	190	34	14	24	32	565	56	621
2024 .....	73	139	118	186	35	14	25	32	565	57	622
2025 .....	73	139	120	183	35	15	25	33	566	58	624
2026 .....	73	139	122	181	36	15	25	34	567	59	625
2027 .....	73	140	123	179	36	16	25	34	567	60	627
2028 .....	74	140	125	177	36	17	25	35	568	60	628
2029 .....	74	139	126	176	36	18	25	36	569	61	629
2030 .....	75	139	126	176	35	18	25	36	570	61	631
2031 .....	76	139	127	176	35	19	25	37	571	62	633
2032 .....	76	139	127	177	34	20	24	38	573	62	635
2033 .....	76	139	127	177	34	21	24	39	574	63	637
2034 .....	77	140	128	177	33	21	23	40	575	63	639
2035 .....	77	140	128	177	33	22	23	41	577	64	641
2036 .....	77	141	129	178	33	23	23	42	580	64	645
2037 .....	77	142	129	179	32	23	22	42	582	65	647
2038 .....	77	143	129	181	32	23	22	43	584	65	649

<sup>a</sup> Represents the number of persons during the period moving out of payment status into suspended status less those returning to payment status from suspended status.

<sup>b</sup> Historical totals estimated based on 1-percent or 10-percent sample data.

<sup>c</sup> Terminations for 2012 reflect the reclassification of about 23,000 Federal recipients from the aged to the blind or disabled category because the State of Massachusetts took over the administration of its State Supplementation program.

<sup>d</sup> Projected terminations for 2014 reflect the decision of the State of New York to take over the administration of its State supplementation program.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

Numbers of SSI Program Recipients

**Table IV.B5.—SSI Federally Administered Terminations for All Reasons,<sup>a</sup> Calendar Years 1974-2038**  
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals <sup>b</sup>		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
<b>Historical data:</b>											
1974 .....	5	36	42	103	19	4	67	126	209	193	402
1975 .....	8	55	56	140	25	3	127	199	287	326	613
1976 .....	13	75	71	174	35	3	141	236	371	377	748
1977 .....	14	71	68	140	34	3	112	194	330	305	636
1978 .....	14	70	58	130	34	3	94	181	308	276	584
1979 .....	13	65	52	128	41	2	88	177	301	265	566
1980 .....	22	53	52	111	45	2	70	177	284	248	532
1981 .....	20	48	47	103	45	3	69	177	266	246	512
1982 .....	21	52	51	107	43	2	65	168	277	233	510
1983 .....	21	49	44	87	34	4	39	140	240	180	419
1984 .....	16	55	46	106	39	6	50	144	267	194	461
1985 .....	13	47	47	97	37	8	40	138	249	178	427
1986 .....	21	58	59	101	38	11	48	143	287	192	478
1987 .....	22	59	61	106	40	13	47	138	301	185	486
1988 .....	24	60	65	105	39	18	49	140	311	189	500
1989 .....	22	63	69	105	39	15	47	136	312	183	496
1990 .....	18	61	75	109	39	22	56	144	324	200	524
1991 .....	25	60	90	123	40	22	50	132	360	182	542
1992 .....	42	78	115	140	41	23	50	125	440	175	614
1993 .....	40	86	124	148	45	24	54	127	467	181	648
1994 .....	47	87	128	148	41	24	48	118	475	166	642
1995 .....	54	94	142	158	44	25	47	113	517	160	677
1996 .....	54	101	158	163	45	27	45	116	548	161	710
1997 .....	133	116	172	159	43	26	39	105	648	143	792
1998 .....	73	98	136	153	44	29	36	102	533	138	671
1999 .....	124	120	146	161	45	31	38	106	626	144	770
2000 .....	89	107	138	159	46	29	35	99	569	134	703
2001 .....	70	103	139	166	45	31	34	98	554	132	685
2002 .....	83	108	150	182	44	30	31	93	598	124	722
2003 .....	76	104	149	186	46	30	31	92	591	122	713
2004 .....	90	109	163	208	48	31	34	93	650	127	777
2005 .....	69	109	157	211	45	30	24	84	621	107	728
2006 .....	61	104	158	217	46	31	28	84	615	112	727
2007 .....	51	116	150	218	46	31	27	83	610	110	720
2008 .....	68	120	155	245	45	29	26	80	663	106	769
2009 .....	66	133	166	278	52	32	33	90	726	123	849
2010 .....	80	130	153	272	46	30	29	79	712	108	820
2011 .....	77	137	147	288	49	31	31	81	729	112	841
2012 <sup>c</sup> .....	70	134	140	283	35	25	44	92	687	136	823
2013 .....	80	129	129	284	50	34	29	81	706	111	817
<b>Projected:</b>											
2014 <sup>d</sup> .....	74	146	137	300	55	36	33	80	746	113	860
2015 .....	72	149	133	287	51	36	28	74	728	102	830
2016 .....	80	145	130	286	53	37	30	74	731	103	834
2017 .....	109	147	132	286	56	38	30	74	768	104	872
2018 .....	83	153	137	289	59	39	31	75	759	106	865
2019 .....	72	150	135	282	62	39	31	77	739	107	846
2020 .....	75	151	133	275	64	40	31	77	739	108	847
2021 .....	79	148	132	268	67	40	31	78	734	109	843
2022 .....	76	151	132	261	69	41	31	78	730	110	840
2023 .....	76	148	134	255	71	42	32	79	726	111	837
2024 .....	77	148	136	249	73	44	32	80	726	112	838
2025 .....	76	148	139	246	74	45	32	81	727	113	841
2026 .....	77	148	141	242	75	46	33	82	728	115	843
2027 .....	77	148	143	239	75	48	33	83	729	116	845
2028 .....	77	148	144	236	75	50	33	84	730	117	847
2029 .....	77	148	145	235	74	52	33	86	730	118	849
2030 .....	78	147	145	234	73	54	32	87	732	120	852
2031 .....	79	147	146	234	71	57	32	89	734	121	854
2032 .....	79	147	146	234	70	59	31	91	735	122	857
2033 .....	80	147	146	234	68	61	31	92	736	123	859
2034 .....	80	148	147	233	67	63	30	94	737	124	862
2035 .....	80	148	147	233	67	64	30	96	739	126	865
2036 .....	80	149	148	234	66	66	29	98	742	127	869
2037 .....	80	150	148	235	64	67	28	100	744	128	872
2038 .....	80	150	148	237	62	69	28	101	746	129	875

<sup>a</sup> Annual figures represent the sum of: (1) terminations from current-payment status due to death during the year; and (2) the number of persons during the year moving out of payment status into suspended status less those returning to payment status from suspended status.

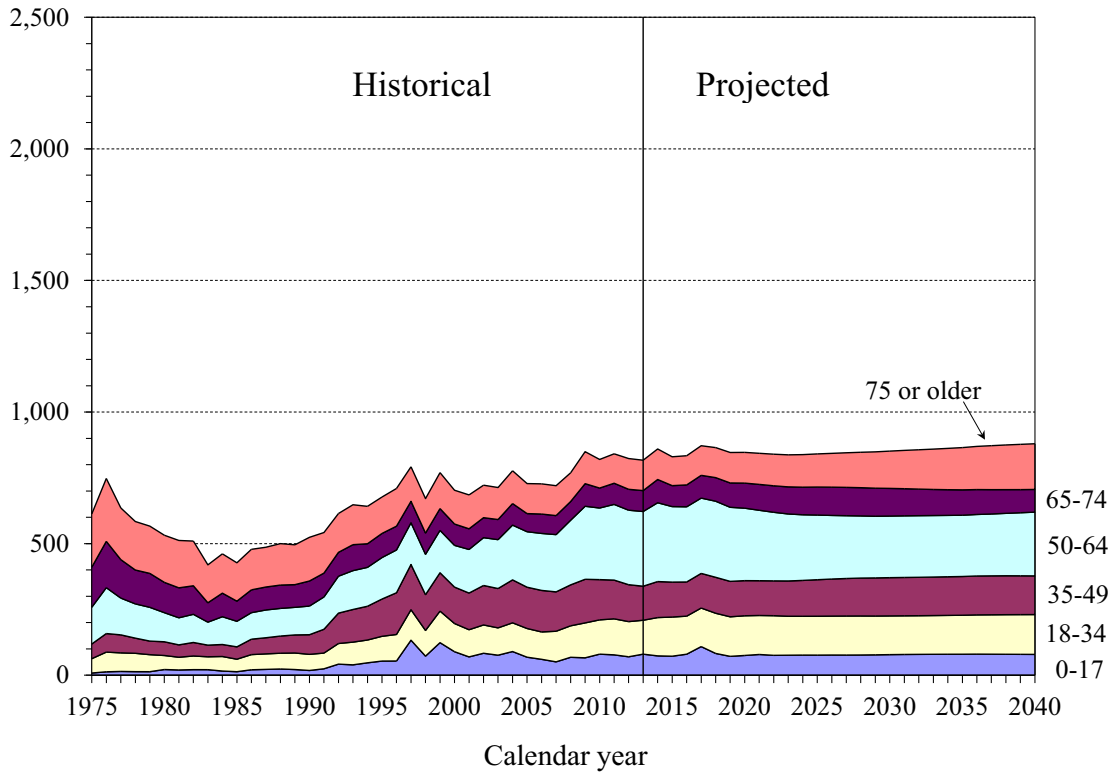
<sup>b</sup> Historical totals estimated based on 1-percent or 10-percent sample data.

<sup>c</sup> Terminations for 2012 reflect the reclassification of about 23,000 Federal recipients from the aged to the blind or disabled category because the State of Massachusetts took over the administration of its State Supplementation program.

<sup>d</sup> Projected terminations for 2014 reflect the decision of the State of New York to take over the administration of its State supplementation program.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

**Figure IV.B3.—SSI Federally Administered Terminations by Age Group, Calendar Years 1975-2040**  
[In thousands]



Our projected terminations reflect the assumption that within the next few years increased resources will be available to SSA for processing medical CDRs, which would result in higher levels of SSI terminations, although that assumption is uncertain and it has been difficult to anticipate Congressional action on appropriations. Projected terminations for 2014 reflect the decision by the State of New York to take over administration of its State supplementation program effective October 1, 2014, resulting in the termination from federally administered SSI recipients payment rolls of all SSI recipients who are only receiving New York State supplementation payments.

**Table IV.B6.—SSI Recipients with Federal Payments in Current-Payment Status as of December, 1974-2038**  
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group		Blind or disabled		Totals	
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 .....	70	338	321	756	109	13	1,010	1,019	1,606	2,029	3,635
1975 .....	106	395	352	838	164	14	963	1,062	1,869	2,025	3,893
1976 .....	124	420	352	813	208	14	864	1,003	1,932	1,867	3,799
1977 .....	147	442	358	800	249	16	785	980	2,013	1,765	3,778
1978 .....	165	460	361	791	277	16	728	958	2,069	1,686	3,755
1979 .....	176	472	359	764	307	16	656	938	2,094	1,593	3,687
1980 .....	188	500	351	750	342	17	609	925	2,149	1,533	3,682
1981 .....	194	514	349	720	366	17	541	888	2,160	1,430	3,590
1982 .....	191	517	346	683	386	21	459	871	2,144	1,329	3,473
1983 .....	198	555	366	692	412	28	449	890	2,250	1,339	3,590
1984 .....	210	595	393	700	406	48	463	884	2,352	1,347	3,699
1985 .....	226	634	426	717	402	72	462	860	2,477	1,322	3,799
1986 .....	240	688	475	739	397	91	465	827	2,630	1,291	3,922
1987 .....	249	717	524	756	392	113	464	804	2,751	1,268	4,019
1988 .....	254	738	564	774	387	127	468	777	2,844	1,245	4,089
1989 .....	263	757	613	799	382	145	488	760	2,959	1,247	4,206
1990 .....	306	788	677	840	389	156	508	749	3,156	1,257	4,412
1991 .....	395	833	769	897	390	166	542	736	3,451	1,279	4,730
1992 .....	555	920	877	970	402	173	577	727	3,898	1,304	5,202
1993 .....	721	990	979	1,034	410	179	604	720	4,312	1,324	5,636
1994 .....	839	1,032	1,071	1,089	425	182	610	716	4,638	1,326	5,965



**Table IV.B6.—SSI Recipients with Federal Payments in Current-Payment Status as of December, 1974-2038 (Cont.)**

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data: (Cont.)											
1995	915	1,058	1,150	1,134	435	188	601	713	4,880	1,315	6,194
1996	954	1,066	1,198	1,176	444	192	586	711	5,029	1,296	6,326
1997	878	1,039	1,196	1,198	457	193	547	704	4,960	1,251	6,212
1998	885	1,038	1,238	1,243	464	197	521	705	5,063	1,226	6,289
1999	845	1,005	1,274	1,278	474	195	499	704	5,072	1,203	6,275
2000	844	994	1,303	1,313	484	196	483	703	5,134	1,186	6,320
2001	879	995	1,329	1,353	493	196	461	703	5,245	1,165	6,410
2002	912	1,002	1,344	1,394	502	200	447	705	5,354	1,152	6,505
2003	956	1,023	1,353	1,436	511	204	430	703	5,482	1,133	6,614
2004	990	1,044	1,350	1,476	515	208	412	699	5,584	1,111	6,695
2005	1,034	1,065	1,347	1,523	522	215	408	705	5,706	1,113	6,819
2006	1,076	1,095	1,334	1,575	529	220	405	704	5,830	1,109	6,939
2007	1,119	1,124	1,316	1,634	540	228	397	704	5,960	1,101	7,061
2008	1,151	1,173	1,306	1,704	550	234	396	704	6,119	1,100	7,219
2009	1,198	1,229	1,302	1,793	559	241	396	704	6,322	1,101	7,423
2010	1,238	1,294	1,307	1,900	566	251	394	704	6,557	1,099	7,656
2011	1,276	1,345	1,305	2,002	577	260	398	703	6,765	1,101	7,866
2012 <sup>a</sup>	1,311	1,381	1,287	2,089	608	278	391	694	6,955	1,085	8,040
2013	1,321	1,400	1,263	2,161	624	287	398	689	7,056	1,087	8,144
Projected:											
2014	1,329	1,402	1,238	2,193	643	293	409	689	7,099	1,098	8,196
2015	1,337	1,397	1,227	2,207	666	300	417	689	7,133	1,106	8,239
2016	1,333	1,406	1,228	2,208	693	304	428	689	7,173	1,116	8,289
2017	1,299	1,416	1,234	2,189	726	310	437	692	7,173	1,129	8,302
2018	1,289	1,421	1,234	2,154	763	315	448	695	7,176	1,143	8,319
2019	1,293	1,431	1,237	2,126	801	320	461	699	7,208	1,160	8,368
2020	1,291	1,435	1,237	2,094	840	325	472	703	7,223	1,175	8,398
2021	1,285	1,443	1,243	2,061	876	333	479	713	7,241	1,192	8,433
2022	1,284	1,450	1,258	2,025	909	344	481	729	7,270	1,210	8,481
2023	1,286	1,460	1,280	1,993	939	354	487	743	7,311	1,230	8,541
2024	1,289	1,473	1,308	1,969	965	365	495	758	7,368	1,253	8,621
2025	1,289	1,482	1,333	1,940	986	378	501	774	7,408	1,275	8,683
2026	1,290	1,490	1,357	1,912	1,003	393	506	790	7,444	1,296	8,740
2027	1,294	1,495	1,375	1,889	1,011	411	509	808	7,477	1,317	8,794
2028	1,304	1,497	1,389	1,872	1,014	431	511	827	7,506	1,338	8,844
2029	1,317	1,495	1,399	1,860	1,011	452	511	847	7,533	1,357	8,891
2030	1,334	1,496	1,407	1,861	1,002	472	510	867	7,572	1,378	8,950
2031	1,347	1,496	1,411	1,862	988	493	505	888	7,596	1,393	8,989
2032	1,358	1,495	1,414	1,865	971	513	498	909	7,617	1,407	9,023
2033	1,367	1,496	1,419	1,866	957	530	490	929	7,636	1,418	9,054
2034	1,372	1,498	1,425	1,865	947	546	481	947	7,654	1,428	9,082
2035	1,375	1,501	1,431	1,865	939	560	472	965	7,671	1,437	9,108
2036	1,379	1,508	1,438	1,874	929	573	464	982	7,701	1,446	9,147
2037	1,378	1,514	1,440	1,886	914	583	454	996	7,715	1,449	9,164
2038	1,375	1,520	1,441	1,904	897	590	442	1,008	7,728	1,450	9,178

<sup>a</sup> Number of recipients in 2012 reflects the reclassification of around 23,000 Federal recipients from the aged to the blind or disabled category because the State of Massachusetts took over administration of its State Supplementation program.

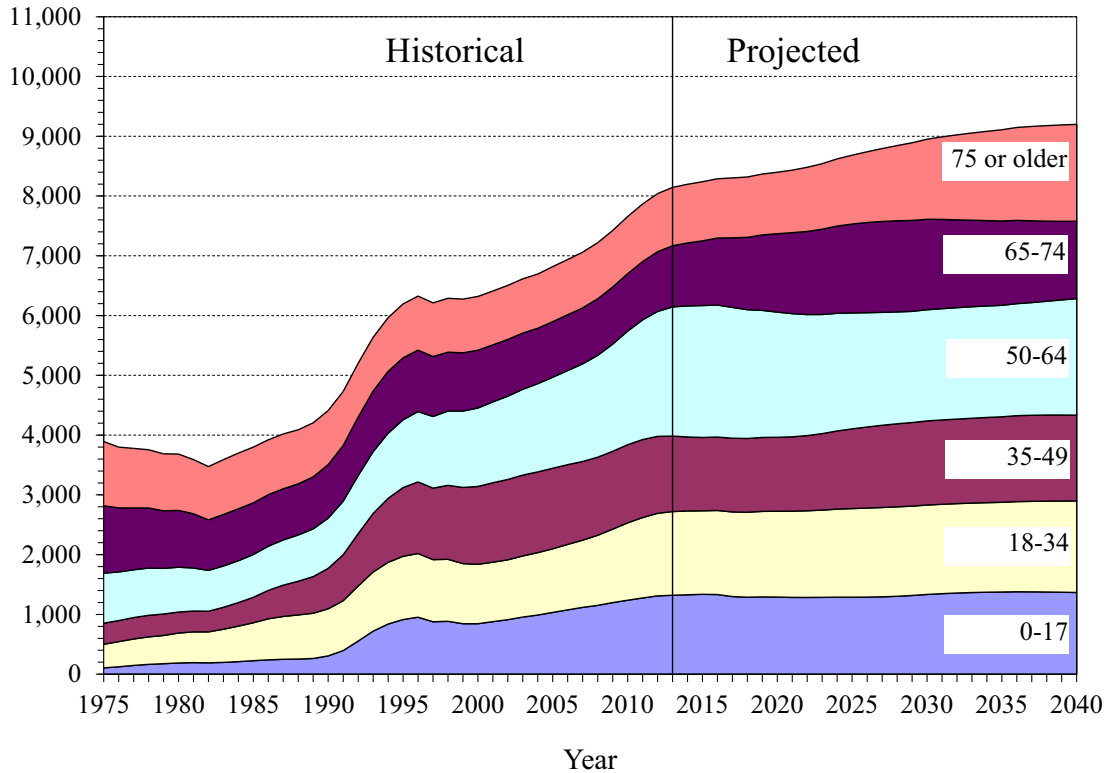
Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

Combining the number of persons coming on the SSI payment rolls during a year with the number of those already receiving benefits at the end of the previous year, and subtracting the number leaving the rolls during the year, yields the number of persons receiving federally administered SSI payments at the end of the year. Table IV.B6 and figure IV.B4 present the number of individuals receiving Federal SSI payments, who comprise the great majority of federally administered recipients. The number of Federal SSI recipients at the end of 2013 increased by about 1.3 percent over the corresponding number at the end of 2012, a smaller increase than experienced between 2011 and 2012.

As figure IV.B4 illustrates, the implementation of Public Law 104-121 and Public Law 104-193 resulted in a decline in the Federal recipient population from 1996 to 1997. From the end of 1997 through the end of 2000, the Federal SSI recipient population grew at an annual rate of less than 1 percent. From the end of 2000 to the end of 2008, the Federal SSI recipient population grew an average of 1.7 percent per year. From the end of 2008 to the end of 2012, the Federal recipient population grew an average of 2.7 percent per year due largely to the economic recession and the slow recovery from that economic downturn. As the economy continues to recover, we project the numbers of Federal SSI recipients to grow more slowly at an average rate of less than 1 percent per year for the remainder of the 25-year projection period. In order to place this projected growth in the context of overall population growth, table IV.B7 and figure

IV.B5 present Federal SSI prevalence rates, defined as SSI recipients with Federal benefits in current-payment status as percentages of selected Social Security area population totals.

**Figure IV.B4.—SSI Recipients with Federal Benefits in Current-Payment Status, by Age Group, as of December, 1975-2040**  
[In thousands]



In table IV.B7, we calculated the age group percentages using the corresponding population age group totals. We computed the ratios for the separate recipient categories—*total blind or disabled* and *total aged*—as percentages of differing base populations, the total Social Security area population and the 65 and older Social Security population, respectively. As a result of this method of calculation, the percentage for the total SSI recipient population is not the arithmetic sum of the percentages for the respective recipient categories. The prevalence rate for all Federal SSI recipients declined from 1975 through the early 1980s. In 1983, this percentage started increasing and continued to increase through 1996. The prevalence rate then declined in 1997, due to the implementation of Public Law 104-121 and Public Law 104-193, but leveled out over the next few years. It has increased slightly over the past few years, but we expect it to decline gradually throughout the projection period.

Table IV.B7.—Federal SSI Prevalence Rates, as of December, 1974-2038

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled <sup>a</sup>	Aged <sup>b</sup>	All <sup>c</sup>
Historical data:											
1974 .....	0.10	0.56	0.88	2.29	0.77	0.14	7.19	11.23	0.72	8.78	1.63
1975 .....	.15	.63	.97	2.51	1.14	.15	6.70	11.38	.83	8.54	1.73
1976 .....	.18	.65	.96	2.42	1.41	.14	5.88	10.43	.85	7.68	1.67
1977 .....	.22	.67	.97	2.36	1.66	.17	5.21	9.94	.88	7.09	1.65
1978 .....	.25	.68	.96	2.32	1.80	.15	4.73	9.46	.89	6.61	1.62
1979 .....	.27	.68	.94	2.23	1.96	.15	4.17	9.00	.89	6.10	1.58
1980 .....	.29	.71	.91	2.18	2.14	.16	3.81	8.64	.91	5.74	1.56
1981 .....	.30	.72	.87	2.10	2.25	.16	3.33	8.07	.91	5.24	1.51
1982 .....	.29	.71	.83	1.99	2.33	.18	2.77	7.68	.89	4.77	1.44
1983 .....	.31	.76	.85	2.02	2.46	.24	2.68	7.63	.93	4.71	1.48
1984 .....	.32	.81	.88	2.06	2.39	.40	2.72	7.39	.96	4.65	1.51
1985 .....	.35	.87	.93	2.11	2.32	.58	2.67	7.00	1.00	4.47	1.53
1986 .....	.37	.94	1.00	2.19	2.26	.72	2.64	6.57	1.05	4.28	1.57
1987 .....	.38	.98	1.06	2.25	2.20	.87	2.60	6.25	1.09	4.13	1.59
1988 .....	.39	1.01	1.11	2.30	2.14	.97	2.59	5.90	1.12	3.99	1.60
1989 .....	.40	1.03	1.16	2.37	2.10	1.07	2.67	5.62	1.15	3.93	1.63
1990 .....	.45	1.08	1.24	2.48	2.10	1.12	2.74	5.40	1.21	3.88	1.69
1991 .....	.58	1.16	1.36	2.62	2.08	1.17	2.89	5.19	1.31	3.88	1.79
1992 .....	.80	1.29	1.51	2.79	2.12	1.19	3.04	5.00	1.46	3.89	1.95
1993 .....	1.02	1.40	1.64	2.92	2.15	1.20	3.16	4.85	1.60	3.90	2.09
1994 .....	1.17	1.48	1.75	3.02	2.22	1.20	3.18	4.71	1.70	3.86	2.19
1995 .....	1.26	1.53	1.83	3.10	2.27	1.21	3.13	4.59	1.77	3.78	2.25
1996 .....	1.31	1.55	1.87	3.12	2.32	1.21	3.06	4.46	1.81	3.70	2.27
1997 .....	1.20	1.52	1.85	3.05	2.40	1.18	2.87	4.32	1.76	3.54	2.21
1998 .....	1.21	1.52	1.88	3.05	2.45	1.18	2.75	4.24	1.78	3.45	2.22
1999 .....	1.15	1.47	1.92	3.02	2.52	1.15	2.65	4.16	1.77	3.37	2.19
2000 .....	1.14	1.45	1.95	3.00	2.58	1.14	2.57	4.09	1.77	3.30	2.18
2001 .....	1.18	1.44	1.98	2.98	2.63	1.13	2.46	4.04	1.80	3.22	2.19
2002 .....	1.22	1.45	2.00	2.96	2.67	1.13	2.38	4.00	1.82	3.17	2.21
2003 .....	1.28	1.47	2.01	2.95	2.70	1.14	2.27	3.95	1.84	3.09	2.22
2004 .....	1.32	1.49	2.01	2.92	2.70	1.15	2.16	3.88	1.86	2.99	2.23
2005 .....	1.37	1.52	2.00	2.92	2.69	1.18	2.11	3.87	1.88	2.96	2.25
2006 .....	1.42	1.55	1.99	2.92	2.67	1.20	2.04	3.83	1.91	2.91	2.27
2007 .....	1.47	1.58	1.98	2.94	2.64	1.23	1.95	3.80	1.93	2.83	2.29
2008 .....	1.51	1.63	1.98	2.99	2.60	1.25	1.87	3.77	1.97	2.76	2.32
2009 .....	1.58	1.69	2.00	3.06	2.55	1.28	1.81	3.74	2.02	2.70	2.37
2010 .....	1.63	1.76	2.03	3.16	2.51	1.32	1.75	3.69	2.08	2.64	2.42
2011 .....	1.69	1.81	2.05	3.27	2.44	1.35	1.68	3.65	2.13	2.56	2.47
2012 .....	1.73	1.84	2.04	3.37	2.43	1.42	1.56	3.55	2.17	2.43	2.51
2013 .....	1.74	1.85	2.01	3.44	2.38	1.44	1.52	3.46	2.18	2.36	2.52
Projected:											
2014 .....	1.74	1.84	1.98	3.45	2.36	1.45	1.50	3.40	2.18	2.31	2.51
2015 .....	1.75	1.83	1.95	3.44	2.34	1.45	1.47	3.33	2.17	2.25	2.51
2016 .....	1.73	1.83	1.95	3.43	2.35	1.43	1.45	3.25	2.16	2.20	2.50
2017 .....	1.68	1.83	1.95	3.39	2.38	1.42	1.43	3.17	2.14	2.16	2.48
2018 .....	1.66	1.83	1.94	3.34	2.42	1.40	1.42	3.08	2.12	2.11	2.46
2019 .....	1.65	1.83	1.93	3.29	2.45	1.38	1.41	3.01	2.11	2.07	2.45
2020 .....	1.63	1.82	1.93	3.24	2.48	1.36	1.39	2.94	2.10	2.03	2.44
2021 .....	1.61	1.82	1.93	3.19	2.53	1.34	1.38	2.86	2.08	2.00	2.43
2022 .....	1.60	1.82	1.94	3.16	2.57	1.31	1.36	2.78	2.07	1.97	2.42
2023 .....	1.59	1.83	1.95	3.14	2.60	1.29	1.35	2.72	2.07	1.94	2.42
2024 .....	1.58	1.84	1.96	3.13	2.61	1.28	1.34	2.67	2.07	1.92	2.42
2025 .....	1.58	1.85	1.97	3.11	2.62	1.28	1.33	2.62	2.06	1.90	2.42
2026 .....	1.57	1.85	1.98	3.10	2.61	1.28	1.32	2.57	2.06	1.88	2.41
2027 .....	1.56	1.85	1.98	3.09	2.60	1.29	1.31	2.53	2.05	1.86	2.41
2028 .....	1.56	1.86	1.99	3.07	2.58	1.30	1.30	2.50	2.04	1.85	2.41
2029 .....	1.56	1.85	1.99	3.06	2.55	1.32	1.29	2.46	2.04	1.84	2.40
2030 .....	1.57	1.85	1.99	3.06	2.53	1.33	1.29	2.44	2.03	1.83	2.40
2031 .....	1.57	1.85	1.99	3.05	2.50	1.34	1.28	2.41	2.03	1.83	2.40
2032 .....	1.57	1.85	1.98	3.04	2.48	1.34	1.27	2.38	2.02	1.82	2.39
2033 .....	1.57	1.84	1.98	3.02	2.46	1.35	1.26	2.36	2.01	1.81	2.38
2034 .....	1.57	1.84	1.98	3.01	2.45	1.35	1.24	2.34	2.00	1.80	2.38
2035 .....	1.57	1.84	1.98	3.01	2.44	1.34	1.23	2.31	2.00	1.79	2.37
2036 .....	1.57	1.83	1.98	3.01	2.43	1.34	1.21	2.29	1.99	1.78	2.37
2037 .....	1.56	1.83	1.97	3.00	2.42	1.33	1.20	2.27	1.99	1.78	2.36
2038 .....	1.56	1.83	1.97	2.99	2.41	1.32	1.19	2.26	1.98	1.77	2.35

<sup>a</sup> Blind or disabled recipients as a percentage of the total Social Security area population.<sup>b</sup> Aged recipients as a percentage of the 65 or older Social Security area population.<sup>c</sup> Total recipients as a percentage of the total Social Security area population. Totals do not equal sums of components due to overlapping populations.

The various subcategories of Federal SSI recipients follow significantly different growth patterns in relation to their respective population totals. The overall aged prevalence rate has declined steadily throughout the historical period. We project that it will continue to decline gradually throughout the projection period. In contrast, except for decreases in the late 1990s due to the eligibility redeterminations and CDRs mandated by Public Law 104-193, the prevalence rate for blind or disabled children increased steadily throughout the historical period, with the increase being quite steep in the early 1990s. The total blind or disabled prevalence rate (as a percentage of the total population at all ages) remained fairly level until the early 1980s, when it started increasing and then continued to increase through 1996. The blind or disabled prevalence rate declined slightly in the late 1990s due to the effects of welfare reform legislation but resumed its upward trend in 2000. That upward trend has continued through 2013, but we estimate that the overall prevalence rate for blind or disabled recipients will gradually decline throughout the projection period due to: (1) the SSI-eligible population growing more slowly than the overall population, (2) a smaller proportion of the population becoming new recipients than during the recent economic slowdown; (3) the changing age distribution in the population; and (4) our assumption that SSA will receive the resources authorized to process CDR and nonmedical redetermination workloads in the Budget Control Act of 2011.<sup>1</sup>

Figure IV.B5.—Federal SSI Prevalence Rates, by Age Group, as of December, 1975-2040

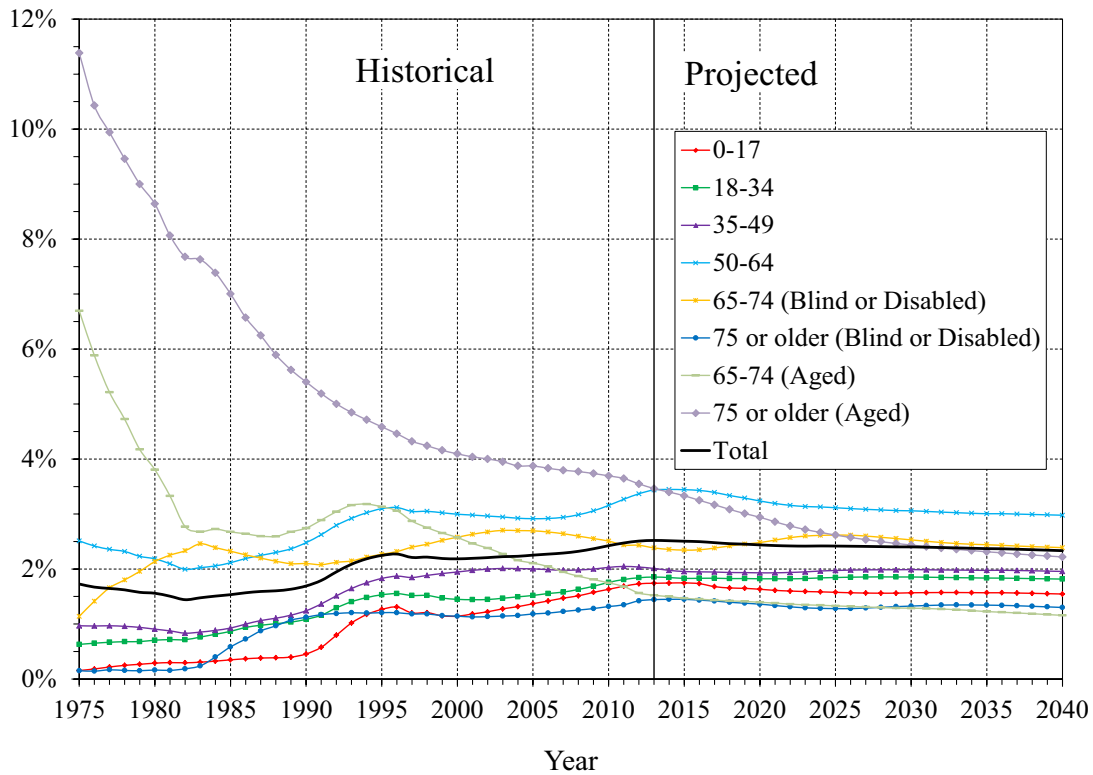


Figure IV.B6 presents prevalence rates on an age-sex-adjusted basis, adjusted to the age-sex distribution of the Social Security area population for the year 2004. Adjusting these rates in this manner is useful when comparing rates over a long period of time because the age-sex-adjusted rates control for the effects that a changing age-sex distribution in the population can have on prevalence rates over time. That adjustment, however, obviously does not account for the change over time of other factors that may affect the percentage of the Social Security area population that is SSI eligible.

<sup>1</sup> Public Law 112-25 enacted August 2, 2011.

The chart below shows that the age-sex adjustment does not fundamentally change the overall pattern of the prevalence rates. The total SSI prevalence rate on an age-sex adjusted basis is higher before 2004 and lower after 2004 than the gross prevalence rate due to the changing aged distribution of the total population. The adjustment generally results in a more noticeable effect for the aged, especially in the early years of the SSI program, because the prevalence rate for ages 75 and older was much higher than for ages 65 to 74.

Figure IV.B6.—Age-Sex-Adjusted Federal SSI Prevalence Rates, by Eligibility Category, as of December, 1975-2040

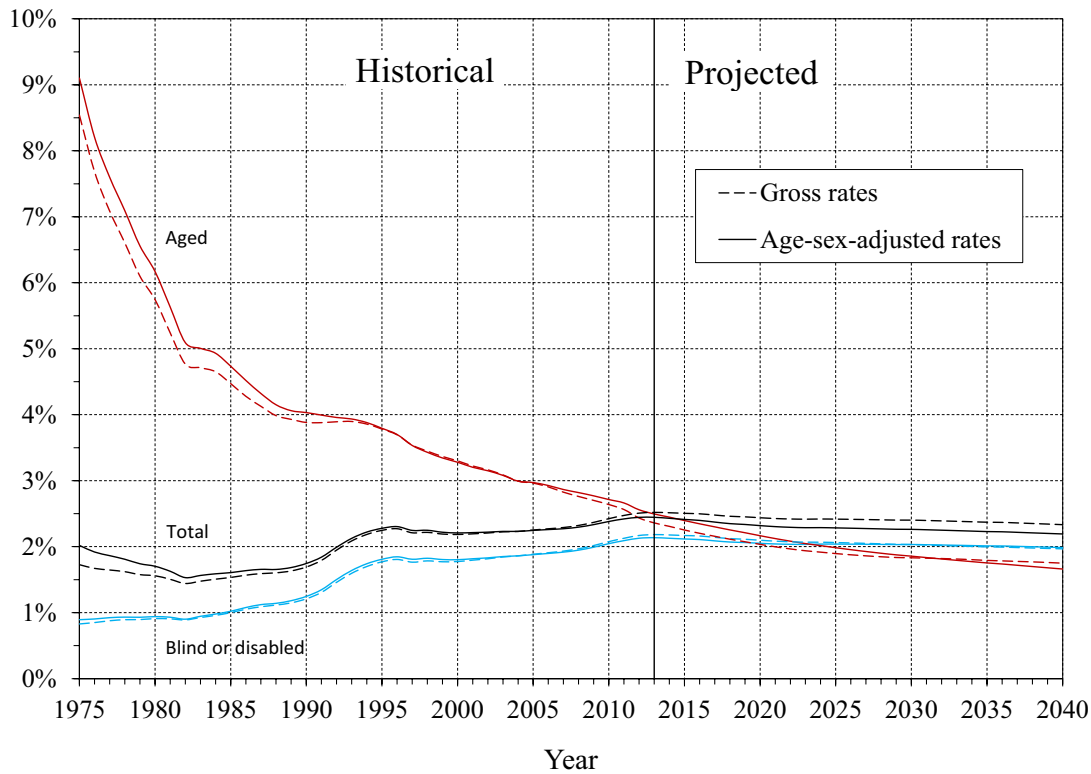


Table IV.B8 presents historical and projected numbers of individuals who receive only a federally administered State supplement. The projected drop in these numbers from 2013 to 2014 reflects the decision of the State of New York to take over administration of its State supplementation program mentioned earlier in this section.

Table IV.B8.—SSI Recipients with Federally Administered State Supplementation Payments Only, in Current-Payment Status as of December, 1974-2038  
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		All
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	
Historical data:											
1974	1	12	20	57	13	1	138	120	104	257	361
1975	1	15	25	74	21	2	144	138	139	282	421
1976	1	14	27	87	26	2	134	146	156	280	437
1977	1	16	27	94	35	2	136	150	174	286	460
1978	1	16	26	93	41	2	127	155	180	282	462
1979	1	18	25	89	49	2	121	157	184	278	462
1980	2	20	26	82	52	2	112	162	185	274	460
1981	1	19	26	75	58	2	94	155	181	248	429
1982	1	18	23	68	53	2	82	137	165	219	384
1983	1	17	19	50	44	4	65	111	136	176	312
1984	1	18	23	50	47	7	68	116	147	184	331
1985	1	21	28	53	45	8	67	115	157	182	339
1986	1	23	31	55	45	11	66	116	166	182	348
1987	1	26	36	60	43	12	72	115	178	187	366

**Table IV.B8.—SSI Recipients with Federally Administered State Supplementation Payments Only, in Current-Payment Status as of December, 1974-2038 (Cont.)**  
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data: (Cont.)											
1988 .....	1	26	42	59	44	14	74	114	187	188	375
1989 .....	2	28	45	60	45	16	76	115	195	192	387
1990 .....	2	31	54	60	44	17	82	116	208	197	405
1991 .....	2	29	54	59	42	17	78	108	203	186	389
1992 .....	2	29	55	59	37	16	70	97	197	167	364
1993 .....	2	29	58	59	34	15	64	88	197	151	348
1994 .....	2	28	59	56	32	14	59	81	192	139	331
1995 .....	3	25	59	56	32	14	54	77	188	131	320
1996 .....	2	21	54	53	29	13	49	68	172	116	288
1997 .....	2	20	55	53	29	13	46	65	172	111	283
1998 .....	2	18	54	55	28	13	43	63	171	106	277
1999 .....	2	18	57	58	28	13	43	62	177	105	282
2000 .....	2	17	57	60	29	13	42	61	179	103	282
2001 .....	2	17	56	62	29	12	41	59	179	100	278
2002 .....	3	17	57	64	30	12	42	58	183	100	283
2003 .....	3	18	58	67	30	12	42	58	188	100	288
2004 .....	3	18	58	70	31	12	43	58	193	100	293
2005 .....	3	18	56	73	31	12	44	58	193	102	295
2006 .....	3	18	55	76	32	12	45	58	194	103	297
2007 .....	2	18	53	77	32	12	46	57	195	103	298
2008 .....	3	18	52	80	34	12	46	57	198	103	301
2009 .....	2	16	43	69	29	11	38	48	168	85	254
2010 .....	2	16	42	71	29	11	37	48	171	85	257
2011 .....	2	16	39	70	29	11	35	45	166	81	246
2012 .....	1	14	34	64	28	11	31	40	152	71	223
2013 .....	1	13	32	64	29	11	30	39	150	70	220
Projected:											
2014 .....	a	6	22	50	26	10	27	35	114	62	175
2015 .....	1	11	24	53	27	10	30	36	125	66	192
2016 .....	1	12	25	54	29	11	33	37	132	70	202
2017 .....	1	13	26	55	30	11	34	38	136	73	209
2018 .....	1	13	27	56	32	11	36	40	141	76	216
2019 .....	1	14	28	57	33	12	38	41	146	79	225
2020 .....	1	15	30	59	35	12	40	42	152	82	234
2021 .....	1	15	31	59	37	13	41	44	156	85	241
2022 .....	1	15	32	59	39	13	42	46	159	88	247
2023 .....	1	15	32	59	41	13	42	48	161	90	252
2024 .....	1	15	33	58	42	14	43	50	163	93	256
2025 .....	1	15	33	57	43	14	44	51	165	95	259
2026 .....	1	15	34	56	44	15	44	53	166	97	262
2027 .....	1	15	35	56	44	16	44	54	167	98	265
2028 .....	1	15	35	55	45	17	44	56	168	100	268
2029 .....	1	15	35	55	44	17	44	57	168	102	270
2030 .....	1	15	35	54	44	18	44	59	169	103	272
2031 .....	1	16	36	55	43	19	44	60	169	104	274
2032 .....	1	16	36	55	43	20	43	62	170	105	275
2033 .....	1	16	36	55	42	21	42	63	170	105	276
2034 .....	1	16	36	55	42	21	42	64	171	106	276
2035 .....	1	16	36	55	41	22	41	65	171	106	277
2036 .....	1	16	36	55	41	22	40	66	171	107	278
2037 .....	1	16	36	55	40	23	39	67	171	107	278
2038 .....	1	16	36	55	39	23	38	68	171	106	278

<sup>a</sup> Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

Table IV.B9 displays the combined numbers of persons receiving either a Federal SSI payment or a federally administered State supplement.

Certain noteworthy patterns appear in the numbers of SSI recipients in the recent past and projections of such numbers for the near future. The total number of SSI recipients increased rapidly in the early 1990s due to the growth in the numbers of disabled adults and children. The growth in the numbers of children receiving SSI resulted in large part from the Supreme Court decision in the case of *Sullivan v. Zebley*, 110 S. Ct. 885 (1990), which greatly expanded the criteria used for determining disability for children. The growth in the numbers of disabled adults is a more complicated phenomenon. Extensive research conducted under contract to SSA and the Department of Health and Human Services suggests that this growth was the result of a combination of factors including: (1) demographic trends; (2) a downturn in the

economy in the late 1980s and early 1990s; (3) long-term structural changes in the economy; and (4) changes in other support programs (in particular, the reduction or elimination of general assistance programs in certain States).<sup>1</sup> The 1996 welfare reform legislation, the economic downturn in the early 2000s, and the recent economic recession that began late in 2007 have contributed to the more recent changes in program participation.

**Table IV.B9.—SSI Recipients with Federally Administered Payments in Current-Payment Status as of December, 1974-2038**

Year	Blind or disabled, by age group						Aged, by age group		Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
	[In thousands]										
Historical data:											
1974 .....	71	349	341	813	122	14	1,148	1,138	1,710	2,286	3,996
1975 .....	107	410	378	911	185	16	1,107	1,200	2,007	2,307	4,314
1976 .....	125	434	379	900	234	15	999	1,149	2,088	2,148	4,236
1977 .....	147	458	385	893	284	18	921	1,130	2,187	2,051	4,238
1978 .....	166	476	387	884	319	17	855	1,113	2,249	1,968	4,217
1979 .....	177	490	384	852	357	17	777	1,095	2,278	1,872	4,150
1980 .....	190	521	377	833	393	20	721	1,086	2,334	1,808	4,142
1981 .....	195	533	375	795	424	19	635	1,043	2,341	1,678	4,019
1982 .....	192	535	369	751	439	23	541	1,008	2,309	1,549	3,858
1983 .....	198	572	386	742	456	32	514	1,001	2,386	1,515	3,901
1984 .....	212	613	417	751	453	54	531	999	2,499	1,530	4,029
1985 .....	227	655	454	769	447	80	530	975	2,634	1,504	4,138
1986 .....	241	711	506	794	442	102	531	942	2,796	1,473	4,269
1987 .....	251	743	560	816	436	124	536	920	2,930	1,455	4,385
1988 .....	255	764	606	833	431	142	543	891	3,030	1,433	4,464
1989 .....	265	785	658	859	427	160	564	875	3,154	1,439	4,593
1990 .....	309	819	731	900	432	172	589	865	3,363	1,454	4,817
1991 .....	397	863	823	956	432	183	620	845	3,654	1,465	5,118
1992 .....	556	949	932	1,029	440	189	647	824	4,095	1,471	5,566
1993 .....	723	1,019	1,036	1,093	445	194	667	808	4,509	1,475	5,984
1994 .....	841	1,060	1,130	1,146	457	196	669	797	4,830	1,466	6,296
1995 .....	917	1,083	1,209	1,190	467	202	656	790	5,068	1,446	6,514
1996 .....	955	1,087	1,252	1,229	472	205	634	778	5,201	1,413	6,614
1997 .....	880	1,059	1,251	1,252	486	205	593	770	5,133	1,362	6,495
1998 .....	887	1,056	1,292	1,298	492	209	564	768	5,234	1,332	6,566
1999 .....	847	1,024	1,331	1,336	503	208	543	765	5,249	1,308	6,557
2000 .....	847	1,011	1,360	1,373	513	209	525	764	5,312	1,289	6,602
2001 .....	882	1,012	1,385	1,415	522	209	502	762	5,424	1,264	6,688
2002 .....	915	1,019	1,401	1,458	532	212	489	763	5,536	1,252	6,788
2003 .....	959	1,040	1,410	1,503	541	216	471	761	5,670	1,233	6,902
2004 .....	993	1,062	1,408	1,546	546	221	455	756	5,777	1,211	6,988
2005 .....	1,036	1,083	1,404	1,596	553	228	452	763	5,900	1,214	7,114
2006 .....	1,079	1,113	1,388	1,651	560	232	450	762	6,024	1,212	7,236
2007 .....	1,121	1,142	1,369	1,711	572	240	443	761	6,155	1,205	7,360
2008 .....	1,154	1,191	1,358	1,784	584	246	442	761	6,317	1,203	7,521
2009 .....	1,200	1,244	1,345	1,862	588	252	434	752	6,491	1,186	7,677
2010 .....	1,239	1,311	1,350	1,971	595	262	432	752	6,728	1,184	7,912
2011 .....	1,277	1,361	1,344	2,072	606	271	434	748	6,931	1,182	8,113
2012 .....	1,312	1,395	1,321	2,154	637	289	422	734	7,107	1,156	8,263
2013 .....	1,322	1,414	1,295	2,226	653	298	429	728	7,206	1,157	8,363
Projected:											
2014 .....	1,329	1,408	1,260	2,243	669	303	436	724	7,212	1,159	8,372
2015 .....	1,338	1,408	1,250	2,260	693	310	447	725	7,259	1,172	8,431
2016 .....	1,334	1,419	1,253	2,262	721	314	461	726	7,304	1,186	8,490
2017 .....	1,300	1,429	1,260	2,244	756	321	472	730	7,309	1,202	8,511
2018 .....	1,290	1,435	1,261	2,211	795	326	484	735	7,316	1,219	8,535
2019 .....	1,294	1,445	1,265	2,183	835	332	499	740	7,354	1,239	8,593
2020 .....	1,292	1,450	1,267	2,153	875	337	512	745	7,374	1,257	8,631
2021 .....	1,286	1,459	1,274	2,120	913	346	520	757	7,398	1,277	8,675
2022 .....	1,286	1,465	1,290	2,084	948	357	523	775	7,430	1,298	8,728
2023 .....	1,287	1,475	1,312	2,052	980	367	530	791	7,472	1,320	8,792
2024 .....	1,290	1,488	1,340	2,027	1,007	379	538	808	7,532	1,346	8,877
2025 .....	1,290	1,497	1,367	1,997	1,029	393	545	825	7,573	1,369	8,942
2026 .....	1,291	1,505	1,391	1,968	1,047	408	550	843	7,610	1,393	9,003
2027 .....	1,296	1,510	1,410	1,945	1,056	427	554	862	7,643	1,416	9,059
2028 .....	1,305	1,512	1,424	1,927	1,058	448	556	882	7,674	1,438	9,111
2029 .....	1,318	1,510	1,434	1,915	1,056	469	555	904	7,701	1,459	9,160
2030 .....	1,336	1,511	1,442	1,915	1,046	491	555	926	7,741	1,481	9,222
2031 .....	1,349	1,511	1,446	1,916	1,031	512	549	948	7,765	1,497	9,263
2032 .....	1,360	1,511	1,450	1,919	1,014	533	541	970	7,786	1,512	9,298

<sup>1</sup> Stapleton, David, Burt Barnow, Kevin Coleman, Kimberly Dietrich, Jeff Furman, and Gilbert Lo. *Labor Market Conditions, Socioeconomic Factors, and the Growth of Applications and Awards for SSDI and SSI Disability Benefits*, final report and appendix prepared under contract to the Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services and the Social Security Administration, May 23, 1995.

*Program Recipients and Federal Expenditures*

**Table IV.B9.—SSI Recipients with Federally Administered Payments in Current-Payment Status as of December, 1974-2038 (Cont.)**

[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Projected: (Cont.)											
2033 .....	1,368	1,512	1,455	1,921	999	551	532	991	7,806	1,524	9,330
2034 .....	1,373	1,514	1,461	1,920	989	567	522	1,012	7,825	1,534	9,359
2035 .....	1,376	1,517	1,467	1,920	981	582	513	1,031	7,842	1,543	9,385
2036 .....	1,381	1,524	1,474	1,928	970	595	504	1,048	7,872	1,553	9,425
2037 .....	1,379	1,530	1,476	1,941	954	606	493	1,063	7,886	1,556	9,442
2038 .....	1,377	1,535	1,477	1,960	937	613	481	1,076	7,899	1,556	9,455

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.



## C. FEDERAL PAYMENTS UNDER SSI

To estimate future amounts of Federal expenditures under SSI, we first modify the projected Federal benefit rates (table IV.A2) to reflect actual payment levels, taking into account historical and projected levels of adjustments for other actual or deemed income. We combine these actual payment levels with the projected numbers of persons receiving Federal SSI payments to generate estimates of the amounts of Federal SSI payments. Table IV.C1 shows historical amounts of such payments by calendar year. We compute these payment amounts on a payment-date basis, which is consistent with the concepts used to define SSI obligations for the Federal Budget. As a result, for months after January 1978, when SSI payments are due on the first of the month and the first of the month falls on a weekend or Federal holiday, we tabulate these payments in the previous month.<sup>1</sup>

**Table IV.C1.—SSI Federal Payments in Current Dollars,<sup>a</sup> Calendar Years 1974-2014**  
[In millions]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1974.....	\$40	\$438	\$452	\$968	\$135	\$17	\$825	\$958	\$2,050	\$1,783	\$3,833
1975.....	128	537	499	1,099	190	17	812	1,031	2,471	1,843	4,314
1976.....	176	605	541	1,147	241	17	762	1,023	2,727	1,785	4,512
1977.....	227	671	579	1,174	298	17	721	1,016	2,966	1,737	4,703
1978 <sup>b</sup> .....	302	781	655	1,312	381	18	736	1,111	3,449	1,847	5,296
1979.....	340	809	650	1,296	429	21	667	1,093	3,546	1,760	5,306
1980.....	397	931	731	1,420	544	28	642	1,230	4,051	1,872	5,923
1981.....	458	1,079	821	1,542	654	32	643	1,320	4,586	1,963	6,549
1982.....	512	1,211	883	1,590	704	38	630	1,364	4,937	1,994	6,931
1983.....	574	1,372	985	1,704	774	58	624	1,440	5,466	2,064	7,530
1984.....	659	1,576	1,128	1,835	836	102	670	1,512	6,136	2,182	8,318
1985.....	736	1,709	1,250	1,924	833	160	699	1,499	6,611	2,198	8,809
1986.....	831	1,929	1,452	2,043	848	209	731	1,479	7,312	2,210	9,522
1987.....	900	2,081	1,618	2,157	846	259	765	1,444	7,860	2,210	10,069
1988.....	955	2,228	1,818	2,303	874	304	814	1,449	8,481	2,263	10,744
1989.....	1,025	2,431	2,048	2,481	936	366	881	1,479	9,286	2,361	11,647
1990.....	1,201	2,660	2,395	2,792	969	407	987	1,532	10,423	2,519	12,943
1991.....	1,678	3,129	2,966	3,305	1,060	463	1,169	1,637	12,601	2,806	15,407
1992.....	3,154	3,900	3,577	3,790	1,124	487	1,303	1,690	16,033	2,993	19,026
1993.....	3,909	4,465	4,164	4,188	1,208	513	1,471	1,759	18,447	3,230	21,677
1994.....	4,167	4,504	4,666	4,533	1,274	538	1,566	1,814	19,682	3,380	23,063
1995.....	4,657	4,777	5,155	4,896	1,357	565	1,599	1,900	21,407	3,499	24,906
1996.....	4,947	5,004	5,614	5,298	1,427	590	1,643	1,977	22,880	3,621	26,501
1997.....	4,920	5,031	5,564	5,410	1,505	614	1,586	2,046	23,044	3,632	26,675
1998.....	4,965	5,150	5,901	5,777	1,588	635	1,542	2,136	24,017	3,678	27,695
1999.....	4,835	5,132	6,185	6,037	1,660	654	1,503	2,206	24,503	3,709	28,212
2000.....	4,789	5,121	6,404	6,293	1,717	675	1,470	2,309	24,999	3,779	28,778
2001.....	5,104	5,354	6,817	6,783	1,838	713	1,470	2,454	26,608	3,924	30,532
2002.....	5,353	5,484	7,048	7,131	1,909	738	1,433	2,520	27,663	3,953	31,616
2003.....	5,686	5,715	7,243	7,532	1,984	771	1,408	2,601	28,932	4,009	32,941
2004.....	6,036	5,954	7,384	7,943	2,054	809	1,366	2,657	30,179	4,023	34,202
2005.....	6,488	6,291	7,624	8,437	2,148	871	1,358	2,778	31,859	4,136	35,995
2006.....	6,948	6,656	7,760	8,943	2,235	924	1,413	2,895	33,467	4,308	37,775
2007.....	7,346	7,067	7,871	9,539	2,333	981	1,406	2,970	35,137	4,376	39,514
2008 <sup>c</sup> .....	7,831	7,623	8,172	10,387	2,459	1,051	1,438	3,078	37,523	4,516	42,040
2009 <sup>c</sup> .....	8,635	8,493	8,618	11,556	2,644	1,153	1,528	3,277	41,099	4,805	45,904
2010.....	9,020	9,013	8,735	12,283	2,689	1,213	1,521	3,294	42,953	4,815	47,767
2011.....	9,312	9,379	8,658	12,871	2,739	1,267	1,520	3,292	44,226	4,811	49,038
2012.....	9,877	9,921	8,756	13,834	2,980	1,417	1,534	3,384	46,785	4,918	51,703
2013.....	10,170	10,257	8,723	14,593	3,129	1,508	1,591	3,432	48,379	5,023	53,402
2014 <sup>d</sup> .....	10,368	10,480	8,677	15,082	3,291	1,580	1,647	3,487	49,478	5,134	54,611

<sup>a</sup> Total historical payments for 1974-77 agree with those presented in the *Annual Statistical Supplement to the Social Security Bulletin*. Total historical payments for 1978-83 are estimated.

<sup>b</sup> Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

<sup>c</sup> Payments for 2008 include \$1.4 billion for SSI checks mailed in late December 2008, but reported by the Department of the Treasury in January 2009.

<sup>d</sup> Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

<sup>1</sup> Public Law 95-216, the Social Security Amendments of 1977, enacted December 20, 1977, requires that SSI payments, which are normally due on the first of the month, be delivered early when the normal delivery date falls on a Saturday, Sunday, or Federal holiday.

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Since we use this payment-date concept, payments in table IV.C1 differ from similar amounts in other SSA publications, such as the *Annual Statistical Supplement to the Social Security Bulletin*, in two main ways. First, tabulations of payments in the *Annual Statistical Supplement* group payments by the month the payment is due, while table IV.C1 groups payments by the month in which we actually make the payments. In particular, since January 1 of each year is a Federal holiday, SSI payments due on January 1 of years 1979 and later are actually paid in December of the previous year. For example, the calendar year 2013 payment amounts shown in table IV.C1 reflect payments made in January-December 2013, and include the payments due on January 1, 2014 (which were actually paid in December 2013), but not the payments due on January 1, 2013 (which were actually paid in December 2012). Second, beginning in 1991, SSA remitted overpayment recoveries directly to the Department of the Treasury and did not use them to reduce SSI obligations as accounted for in the Federal Budget. Tabulations in the *Annual Statistical Supplement* continue to report payment amounts that are reduced by such overpayment recoveries.

Table IV.C2 presents corresponding amounts of SSI outlays on a fiscal year basis for fiscal years<sup>1</sup> 1978-2014. We omit fiscal years prior to 1978 because SSI payment amounts are not readily available on a fiscal

**Table IV.C2.—SSI Federal Payments in Current Dollars, Fiscal Years 1978-2014**  
[In millions]

Fiscal year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1978.....	\$206	\$740	\$668	\$1,438	\$312	\$22	\$772	\$1,076	\$3,386	\$1,848	\$5,234
1979 <sup>a</sup> .....	226	711	620	1,265	331	20	656	954	3,172	1,610	4,782
1980.....	372	877	698	1,360	506	26	629	1,184	3,840	1,813	5,653
1981.....	442	1,039	797	1,508	625	31	647	1,307	4,442	1,954	6,396
1982.....	499	1,181	861	1,570	693	36	640	1,356	4,840	1,996	6,836
1983.....	596	1,416	1,024	1,783	806	56	660	1,510	5,680	2,170	7,850
1984 <sup>a</sup> .....	588	1,411	1,005	1,665	760	85	613	1,391	5,514	2,004	7,517
1985.....	713	1,662	1,215	1,895	828	145	691	1,502	6,459	2,193	8,652
1986.....	800	1,864	1,386	1,995	840	196	723	1,487	7,080	2,209	9,290
1987.....	880	2,030	1,565	2,119	845	242	755	1,448	7,681	2,203	9,884
1988.....	1,009	2,356	1,898	2,425	932	316	860	1,559	8,935	2,419	11,354
1989 <sup>a</sup> .....	1,012	2,378	1,997	2,452	910	345	862	1,473	9,094	2,335	11,430
1990 <sup>a</sup> .....	1,039	2,378	2,115	2,479	876	362	879	1,394	9,247	2,273	11,521
1991.....	1,519	2,975	2,772	3,141	1,032	447	1,120	1,608	11,886	2,728	14,614
1992.....	2,684	3,621	3,398	3,653	1,099	476	1,269	1,680	14,932	2,949	17,881
1993.....	3,817	4,377	3,977	4,033	1,175	502	1,420	1,730	17,880	3,150	21,029
1994.....	4,328	4,771	4,866	4,756	1,344	569	1,659	1,930	20,635	3,588	24,223
1995 <sup>a</sup> .....	4,554	4,719	5,031	4,822	1,341	560	1,596	1,884	21,027	3,480	24,507
1996 <sup>a</sup> .....	4,543	4,595	5,123	4,830	1,305	540	1,510	1,808	20,936	3,317	24,254
1997.....	4,933	5,004	5,529	5,340	1,478	606	1,602	2,027	22,890	3,629	26,519
1998.....	4,915	5,114	5,816	5,688	1,567	630	1,548	2,110	23,729	3,658	27,387
1999.....	4,901	5,152	6,123	5,975	1,638	648	1,506	2,180	24,438	3,685	28,123
2000.....	5,152	5,500	6,827	6,692	1,822	718	1,599	2,453	26,710	4,052	30,763
2001 <sup>a</sup> .....	4,597	4,869	6,170	6,125	1,670	652	1,352	2,236	24,083	3,588	27,671
2002.....	5,290	5,456	6,998	7,041	1,889	731	1,444	2,500	27,405	3,944	31,349
2003.....	5,558	5,623	7,170	7,390	1,957	759	1,417	2,572	28,456	3,989	32,445
2004.....	5,910	5,868	7,327	7,797	2,031	796	1,380	2,638	29,729	4,018	33,748
2005.....	6,856	6,669	8,150	8,928	2,282	916	1,463	2,945	33,800	4,409	38,208
2006 <sup>a</sup> .....	6,832	6,560	7,739	8,813	2,207	908	1,404	2,863	33,060	4,267	37,327
2007 <sup>a</sup> .....	6,659	6,427	7,207	8,630	2,135	895	1,297	2,731	31,952	4,028	35,981
2008.....	7,651	7,411	8,063	10,106	2,416	1,027	1,419	3,035	36,673	4,454	41,127
2009.....	8,389	8,241	8,493	11,208	2,598	1,126	1,505	3,233	40,056	4,737	44,793
2010.....	8,899	8,846	8,710	12,057	2,674	1,194	1,524	3,289	42,379	4,813	47,192
2011.....	9,938	9,981	9,355	13,650	2,921	1,341	1,636	3,532	47,186	5,168	52,354
2012 <sup>a</sup> .....	8,986	9,042	8,075	12,549	2,699	1,276	1,409	3,111	42,627	4,521	47,147
2013.....	10,073	10,134	8,720	14,325	3,075	1,477	1,565	3,405	47,804	4,971	52,775
2014 <sup>b</sup> .....	10,246	10,394	8,649	14,899	3,232	1,557	1,628	3,465	48,977	5,093	54,070

<sup>a</sup> Payment due on October 1 of fiscal year paid in previous fiscal year.

<sup>b</sup> Partially estimated.

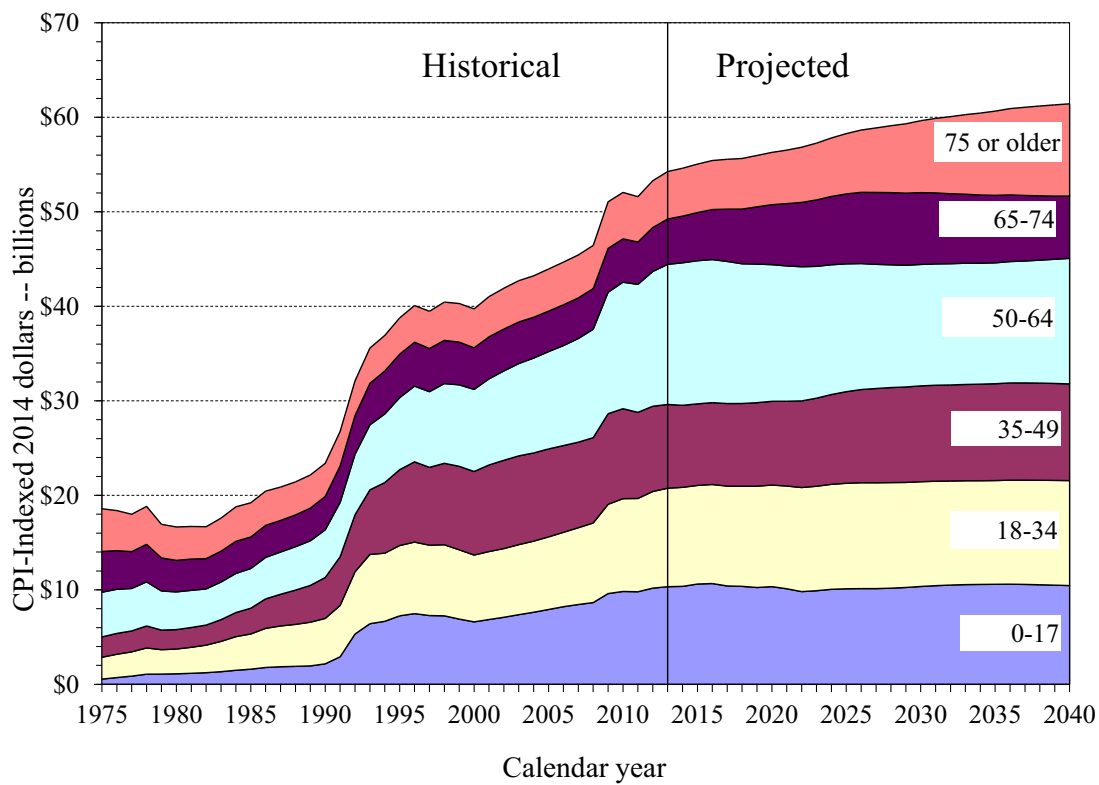
Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

<sup>1</sup> Fiscal years 1977 and later cover the 12-month period ending September 30. For example, fiscal year 2013 payments include payments made from October 1, 2012 through September 30, 2013.

year basis for these years. As with the calendar year figures, we show these fiscal year amounts on a payment-date basis. Consequently, fiscal year totals may contain 11, 12, or 13 months of payments.<sup>1</sup>

Price inflation can make it difficult to make meaningful comparisons of dollar amounts over longer periods of time. For this reason, it is desirable to have some means of adjusting for inflation from the 25-year projections of SSI expenditures. The CPI, which we discuss in section IV.A, is an appropriate means of price-adjusting historical and projected SSI costs over time. Table IV.C3 presents CPI-indexed dollar values of Federal SSI payments (those adjusted by the CPI) for both the historical period, calendar years 1974-2013, and the full 25-year projection period, 2014-2038. We present this same information as a graph in figure IV.C1. We use the projections of the CPI from the intermediate economic assumptions of the 2014 OASDI Trustees Report.

**Figure IV.C1.—SSI Federal Payments, by Age Group, in CPI-Indexed 2014 Dollars, Calendar Years 1975-2040**  
[In billions]



<sup>1</sup> Public Law 95-216, the Social Security Amendments of 1977, enacted December 20, 1977, requires that SSI payments, which are normally due on the first of the month, be delivered early when the normal delivery date falls on a Saturday, Sunday, or Federal holiday. As such, fiscal year 1978 contained 13 months of payments. Generally, for fiscal years 1979 and later, if October 1 of:

- a) the current, but not the succeeding, fiscal year falls on a weekend, there are 11 months of payments;
- b) both the current and succeeding fiscal years falls on a weekday, there are 12 months of payments (i.e., all payments are made in the fiscal years in which they are due);
- c) both the current and succeeding fiscal years falls on a weekend, there are 12 months of payments (i.e., both payments are made in the preceding fiscal year, respectively); and
- d) the succeeding, but not current, fiscal year falls on a weekend, there are 13 months of payments.

Program Recipients and Federal Expenditures

**Table IV.C3.—SSI Federal Payments in CPI-Indexed 2014 Dollars, Calendar Years 1974-2038**  
 [Payment amounts in millions]

Calendar year	Adjusted <sup>a</sup> CPI	Blind or disabled, by age group					Aged, by age group		Totals			
		0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
<b>Historical data:</b>												
1974.....	21.27	\$190	\$2,057	\$2,124	\$4,553	\$636	\$81	\$3,878	\$4,503	\$9,640	\$8,382	\$18,022
1975.....	23.22	553	2,313	2,149	4,732	818	75	3,498	4,440	10,641	7,938	18,579
1976.....	24.54	716	2,466	2,204	4,673	983	68	3,104	4,169	11,111	7,273	18,384
1977.....	26.14	870	2,566	2,215	4,493	1,139	66	2,760	3,885	11,350	6,645	17,995
1978 <sup>b</sup> .....	28.12	1,075	2,776	2,328	4,665	1,356	64	2,616	3,951	12,263	6,567	18,830
1979.....	31.34	1,085	2,583	2,075	4,136	1,370	67	2,127	3,489	11,316	5,616	16,932
1980.....	35.57	1,117	2,617	2,056	3,992	1,530	78	1,805	3,458	11,390	5,263	16,653
1981.....	39.21	1,169	2,751	2,093	3,933	1,669	80	1,639	3,368	11,696	5,007	16,702
1982.....	41.56	1,233	2,913	2,124	3,825	1,694	91	1,515	3,282	11,880	4,797	16,678
1983.....	42.82	1,339	3,204	2,300	3,979	1,807	135	1,457	3,362	12,765	4,819	17,584
1984.....	44.29	1,489	3,559	2,547	4,143	1,888	230	1,513	3,414	13,855	4,928	18,783
1985.....	45.86	1,604	3,726	2,726	4,196	1,817	349	1,524	3,268	14,418	4,793	19,210
1986.....	46.57	1,785	4,143	3,119	4,387	1,820	449	1,569	3,176	15,703	4,745	20,448
1987.....	48.24	1,865	4,313	3,354	4,470	1,754	537	1,587	2,993	16,292	4,580	20,872
1988.....	50.16	1,904	4,442	3,624	4,590	1,743	606	1,623	2,888	16,909	4,512	21,421
1989.....	52.57	1,951	4,623	3,895	4,718	1,781	695	1,676	2,814	17,662	4,490	22,152
1990.....	55.34	2,170	4,806	4,328	5,045	1,750	735	1,784	2,768	18,834	4,552	23,386
1991.....	57.58	2,914	5,434	5,151	5,740	1,842	803	2,030	2,844	21,885	4,874	26,759
1992.....	59.25	5,322	6,582	6,037	6,397	1,897	822	2,199	2,852	27,058	5,051	32,109
1993.....	60.93	6,416	7,328	6,834	6,874	1,983	842	2,415	2,886	30,277	5,301	35,578
1994.....	62.46	6,671	7,211	7,470	7,258	2,039	862	2,507	2,904	31,510	5,411	36,921
1995.....	64.23	7,251	7,437	8,026	7,622	2,112	880	2,490	2,958	33,329	5,448	38,777
1996.....	66.11	7,483	7,570	8,492	8,013	2,159	892	2,486	2,991	34,609	5,477	40,086
1997.....	67.58	7,281	7,444	8,234	8,006	2,227	908	2,347	3,027	34,101	5,374	39,475
1998.....	68.48	7,250	7,521	8,618	8,437	2,319	928	2,252	3,119	35,073	5,371	40,445
1999.....	70.01	6,906	7,330	8,834	8,624	2,372	934	2,147	3,151	34,999	5,298	40,297
2000.....	72.44	6,612	7,069	8,841	8,688	2,370	932	2,029	3,188	34,512	5,217	39,729
2001.....	74.42	6,858	7,194	9,160	9,114	2,469	958	1,976	3,297	35,754	5,273	41,027
2002.....	75.43	7,097	7,270	9,344	9,454	2,530	978	1,900	3,341	36,673	5,240	41,913
2003.....	77.12	7,373	7,410	9,393	9,767	2,573	1,000	1,826	3,372	37,517	5,198	42,714
2004.....	79.12	7,629	7,525	9,332	10,038	2,596	1,022	1,727	3,358	38,142	5,085	43,227
2005.....	81.91	7,921	7,681	9,308	10,300	2,623	1,064	1,658	3,392	38,897	5,050	43,946
2006.....	84.55	8,217	7,872	9,178	10,577	2,644	1,092	1,671	3,424	39,581	5,095	44,676
2007.....	86.97	8,447	8,126	9,051	10,969	2,682	1,128	1,616	3,416	40,404	5,032	45,436
2008.....	90.52	8,652	8,422	9,028	11,474	2,717	1,161	1,589	3,401	41,454	4,990	46,443
2009.....	89.91	9,604	9,447	9,585	12,854	2,940	1,283	1,699	3,645	45,713	5,344	51,057
2010.....	91.77	9,829	9,821	9,518	13,385	2,930	1,322	1,657	3,589	46,805	5,246	52,052
2011.....	95.03	9,798	9,870	9,111	13,544	2,882	1,333	1,599	3,464	46,538	5,063	51,601
2012.....	97.03	10,180	10,225	9,024	14,257	3,071	1,461	1,581	3,487	48,218	5,068	53,286
2013.....	98.42	10,333	10,421	8,863	14,827	3,179	1,532	1,617	3,487	49,156	5,104	54,260
<b>Projected:</b>												
2014.....	100.00	10,368	10,480	8,677	15,082	3,291	1,580	1,647	3,487	49,478	5,134	54,611
2015.....	101.95	10,613	10,436	8,632	15,145	3,413	1,624	1,679	3,506	49,863	5,185	55,049
2016.....	104.17	10,668	10,480	8,660	15,142	3,564	1,662	1,727	3,523	50,176	5,251	55,427
2017.....	106.64	10,412	10,566	8,736	15,037	3,762	1,711	1,772	3,564	50,224	5,336	55,560
2018.....	109.39	10,370	10,596	8,753	14,786	3,968	1,753	1,817	3,601	50,226	5,418	55,643
2019.....	112.33	10,246	10,720	8,838	14,668	4,186	1,798	1,871	3,636	50,457	5,507	55,964
2020.....	115.37	10,339	10,751	8,860	14,462	4,416	1,847	1,928	3,684	50,674	5,612	56,286
2021.....	118.48	10,114	10,872	8,968	14,324	4,632	1,908	1,959	3,753	50,818	5,711	56,529
2022.....	121.68	9,811	11,015	9,165	14,199	4,833	1,987	1,972	3,851	51,011	5,823	56,834
2023.....	124.97	9,908	11,055	9,318	13,952	5,026	2,065	2,002	3,942	51,324	5,944	57,268
2024.....	128.34	10,057	11,109	9,501	13,734	5,192	2,153	2,035	4,036	51,745	6,071	57,815
2025.....	131.81	10,112	11,165	9,691	13,530	5,332	2,245	2,066	4,134	52,075	6,199	58,275
2026.....	135.36	10,130	11,205	9,860	13,333	5,442	2,347	2,093	4,243	52,317	6,337	58,653
2027.....	139.02	10,130	11,201	9,973	13,141	5,493	2,468	2,113	4,359	52,406	6,471	58,877
2028.....	142.77	10,174	11,176	10,054	12,991	5,514	2,596	2,125	4,480	52,506	6,606	59,111
2029.....	146.63	10,250	11,116	10,099	12,878	5,505	2,731	2,129	4,607	52,579	6,736	59,315
2030.....	150.59	10,355	11,086	10,142	12,851	5,466	2,869	2,130	4,740	52,770	6,870	59,640
2031.....	154.65	10,442	11,052	10,157	12,840	5,394	3,008	2,118	4,877	52,891	6,995	59,886
2032.....	158.83	10,506	11,011	10,161	12,835	5,306	3,143	2,092	5,016	52,962	7,108	60,071
2033.....	163.12	10,553	10,991	10,188	12,830	5,237	3,269	2,062	5,153	53,068	7,215	60,284
2034.....	167.52	10,573	10,975	10,215	12,805	5,185	3,384	2,027	5,284	53,138	7,311	60,449
2035.....	172.04	10,586	10,978	10,245	12,796	5,149	3,494	1,990	5,415	53,249	7,405	60,653
2036.....	176.69	10,598	11,009	10,289	12,843	5,096	3,591	1,956	5,539	53,426	7,496	60,922
2037.....	181.46	10,574	11,032	10,288	12,904	5,017	3,676	1,916	5,656	53,492	7,573	61,064
2038.....	186.36	10,539	11,057	10,284	13,010	4,930	3,745	1,870	5,760	53,565	7,630	61,195

<sup>a</sup> The "adjusted CPI" is the series of actual and projected CPI values indexed to 2014 (i.e., adjusted so that the value shown for 2014 is 100.00). Projections of the adjusted CPI are based on the intermediate economic assumptions of the 2014 OASDI Trustees Report.

<sup>b</sup> Payment amounts include 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

Note: Totals do not necessarily equal the sums of rounded components. We estimate the historical split among age groups on a calendar year of age basis.

The future growth in the “CPI-indexed dollar” estimates is primarily attributable to the underlying growth in the SSI recipient population (table IV.B6). A notable aspect of this time series of CPI-indexed dollar estimates is the rather sharp level increase from 2008 to 2009 in these amounts. This level shift is the result of the combination of the spike in the CPI for the third quarter of calendar year 2008, which caused the large 5.8 percent benefit rate increase for 2009, and the subsequent drop in the CPI for 2009.

Table IV.C4 presents historical SSI State supplementation payments that SSA administers for two broad recipient categories. These amounts are consistent with tabulations in the *Annual Statistical Supplement to the Social Security Bulletin*. We do not prepare detailed projections of such payments.

**Table IV.C4.—SSI Federally Administered State Supplementation Payments  
in Current Dollars, Calendar Years 1974-2013**  
[In millions]

Calendar year	Aged	Blind or disabled	Total
1974	\$631	\$632	\$1,264
1975	674	729	1,403
1976	635	753	1,388
1977	627	804	1,431
1978	636	855	1,491
1979	661	928	1,590
1980	757	1,091	1,848
1981	731	1,108	1,839
1982	694	1,104	1,798
1983	645	1,066	1,711
1984	645	1,148	1,792
1985	694	1,278	1,973
1986	759	1,484	2,243
1987	849	1,714	2,563
1988	873	1,798	2,671
1989	954	2,001	2,955
1990	1,038	2,201	3,239
1991	999	2,232	3,231
1992	1,023	2,412	3,435
1993	934	2,336	3,270
1994	876	2,240	3,116
1995	864	2,253	3,118
1996	833	2,155	2,988
1997	824	2,090	2,913
1998	838	2,165	3,003
1999	921	2,380	3,301
2000	943	2,439	3,381
2001	956	2,505	3,460
2002	1,051	2,768	3,820
2003	1,098	2,906	4,005
2004	1,133	3,045	4,178
2005	1,128	3,050	4,178
2006	1,147	3,006	4,153
2007	1,187	3,133	4,320
2008	1,198	3,187	4,385
2009	1,070	2,894	3,964
2010	924	2,665	3,589
2011	895	2,626	3,521
2012	827	2,478	3,305
2013	821	2,454	3,275

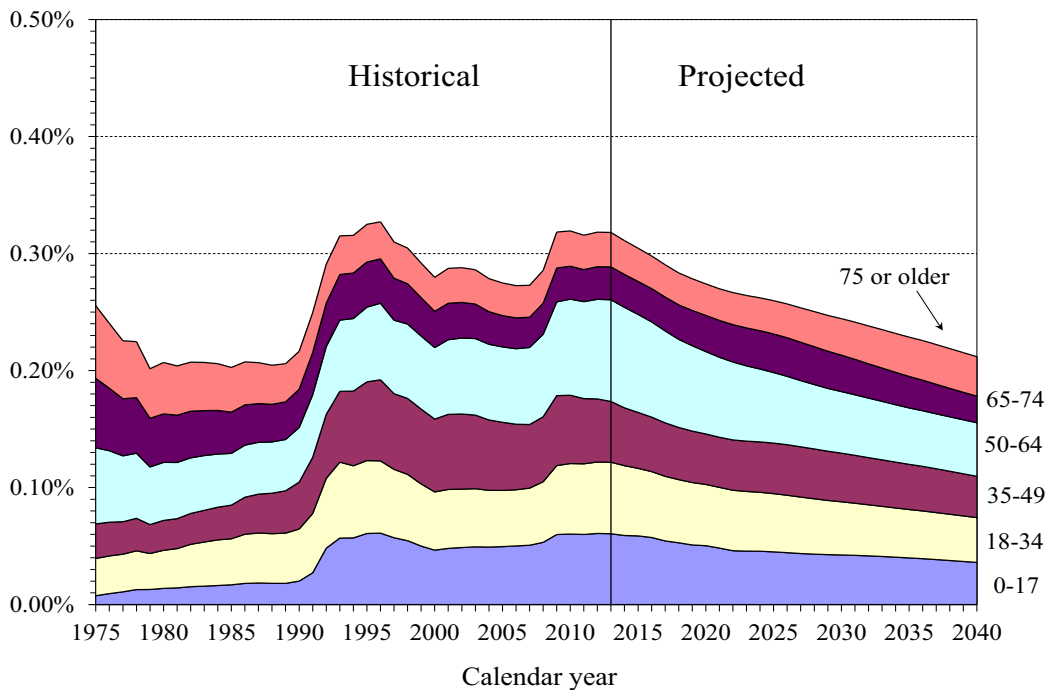
Note: Totals do not necessarily equal the sums of rounded components.

**D. FEDERAL SSI PAYMENTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT**

Displaying Federal SSI payments as a percentage of GDP provides a useful perspective on the proportion of the total output of the U.S. economy needed to provide Federal SSI benefits. As table IV.D1 and figure IV.D1 show, after remaining relatively constant between 1992 and 2013, we project the total cost of the SSI program relative to GDP to decline in 2014 and throughout the remainder of the projection period.

Total Federal SSI payments during the 1980s were relatively constant as a percentage of GDP (roughly 0.2 percent). During the early 1990s, SSI grew rather rapidly (to 0.33 percent of GDP in 1996) due to a combination of factors (see section IV.B). Following legislation enacted in 1996<sup>1</sup>, the cost of SSI decreased as a percentage of GDP beginning in 1997 and continuing through 2000. The share of GDP devoted to Federal SSI expenditures increased slightly after 2000, partly because of a slowdown in economic growth over that period, but resumed its very gradual downward trend from 2002 to 2006 due to relatively slower growth in the number of SSI recipients. Beginning in 2007, however, this trend reversed due to an increase in program recipients and a temporary decline in real GDP during the economic recession. As the economy recovers, we project the gradual downward trend to resume. This ultimate trend is the net effect of two factors. First, we project that Federal SSI expenditures, after adjusting for growth in prices, will grow roughly in line with the SSI recipient population (see section IV.C). Second, using the 2014 Trustees Report intermediate assumptions, we project that the effect of the real growth in GDP following the recent economic downturn will be greater than the effect of projected increases in SSI recipients. Accordingly, we project that Federal SSI payments will decline as a percentage of GDP throughout the projection period, until it reaches 0.22 percent of GDP by 2038.

**Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1975-2040**



<sup>1</sup> Public Law 104-121 and Public Law 104-193.

Federal SSI Payments as a Percentage of Gross Domestic Product

Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2038

Calendar year	GDP <sup>a</sup> (In billions)	Blind or disabled, by age group					Aged, by age group			Totals		
		0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:												
1974 .....	\$1,549	0.003	0.028	0.029	0.063	0.009	0.001	0.053	0.062	0.132	0.115	0.247
1975 .....	1,689	.008	.032	.030	.065	.011	.001	.048	.061	.146	.109	.255
1976 .....	1,878	.009	.032	.029	.061	.013	.001	.041	.054	.145	.095	.240
1977 .....	2,086	.011	.032	.028	.056	.014	.001	.035	.049	.142	.083	.225
1978 .....	2,357	.013	.033	.028	.056	.016	.001	.031	.047	.146	.078	.225
1979 .....	2,632	.013	.031	.025	.049	.016	.001	.025	.042	.135	.067	.202
1980 .....	2,862	.014	.033	.026	.050	.019	.001	.022	.043	.142	.065	.207
1981 .....	3,211	.014	.034	.026	.048	.020	.001	.020	.041	.143	.061	.204
1982 .....	3,345	.015	.036	.026	.048	.021	.001	.019	.041	.148	.060	.207
1983 .....	3,638	.016	.038	.027	.047	.021	.002	.017	.040	.150	.057	.207
1984 .....	4,041	.016	.039	.028	.045	.021	.003	.017	.037	.152	.054	.206
1985 .....	4,347	.017	.039	.029	.044	.019	.004	.016	.034	.152	.051	.203
1986 .....	4,590	.018	.042	.032	.045	.018	.005	.016	.032	.159	.048	.207
1987 .....	4,870	.018	.043	.033	.044	.017	.005	.016	.030	.161	.045	.207
1988 .....	5,253	.018	.042	.035	.044	.017	.006	.016	.028	.161	.043	.205
1989 .....	5,658	.018	.043	.036	.044	.017	.006	.016	.026	.164	.042	.206
1990 .....	5,980	.020	.044	.040	.047	.016	.007	.017	.026	.174	.042	.216
1991 .....	6,174	.027	.051	.048	.054	.017	.007	.019	.027	.204	.045	.250
1992 .....	6,539	.048	.060	.055	.058	.017	.007	.020	.026	.245	.046	.291
1993 .....	6,879	.057	.065	.061	.061	.018	.007	.021	.026	.268	.047	.315
1994 .....	7,309	.057	.062	.064	.062	.017	.007	.021	.025	.269	.046	.316
1995 .....	7,664	.061	.062	.067	.064	.018	.007	.021	.025	.279	.046	.325
1996 .....	8,100	.061	.062	.069	.065	.018	.007	.020	.024	.282	.045	.327
1997 .....	8,608	.057	.058	.065	.063	.017	.007	.018	.024	.268	.042	.310
1998 .....	9,089	.055	.057	.065	.064	.017	.007	.017	.023	.264	.040	.305
1999 .....	9,666	.050	.053	.064	.062	.017	.007	.016	.023	.253	.038	.292
2000 .....	10,290	.047	.050	.062	.061	.017	.007	.014	.022	.243	.037	.280
2001 .....	10,625	.048	.050	.064	.064	.017	.007	.014	.023	.250	.037	.287
2002 .....	10,980	.049	.050	.064	.065	.017	.007	.013	.023	.252	.036	.288
2003 .....	11,512	.049	.050	.063	.065	.017	.007	.012	.023	.251	.035	.286
2004 .....	12,277	.049	.048	.060	.065	.017	.007	.011	.022	.246	.033	.279
2005 .....	13,095	.050	.048	.058	.064	.016	.007	.010	.021	.243	.032	.275
2006 .....	13,858	.050	.048	.056	.065	.016	.007	.010	.021	.241	.031	.273
2007 .....	14,480	.051	.049	.054	.066	.016	.007	.010	.021	.243	.030	.273
2008 .....	14,720	.053	.052	.056	.071	.017	.007	.010	.021	.255	.031	.286
2009 .....	14,418	.060	.059	.060	.080	.018	.008	.011	.023	.285	.033	.318
2010 .....	14,958	.060	.060	.058	.082	.018	.008	.010	.022	.287	.032	.319
2011 .....	15,534	.060	.060	.056	.083	.018	.008	.010	.021	.285	.031	.316
2012 .....	16,245	.061	.061	.054	.085	.018	.009	.009	.021	.288	.030	.318
2013 .....	16,790	.061	.061	.052	.087	.019	.009	.009	.020	.288	.030	.318
Projected:												
2014 .....	17,557	.059	.060	.049	.086	.019	.009	.009	.020	.282	.029	.311
2015 .....	18,426	.059	.058	.048	.084	.019	.009	.009	.019	.276	.029	.305
2016 .....	19,377	.057	.056	.047	.081	.019	.009	.009	.019	.270	.028	.298
2017 .....	20,400	.054	.055	.046	.079	.020	.009	.009	.019	.263	.028	.290
2018 .....	21,475	.053	.054	.045	.075	.020	.009	.009	.018	.256	.028	.283
2019 .....	22,578	.051	.053	.044	.073	.021	.009	.009	.018	.251	.027	.278
2020 .....	23,694	.050	.052	.043	.070	.022	.009	.009	.018	.247	.027	.274
2021 .....	24,815	.048	.052	.043	.068	.022	.009	.009	.018	.243	.027	.270
2022 .....	25,935	.046	.052	.043	.067	.023	.009	.009	.018	.239	.027	.267
2023 .....	27,091	.046	.051	.043	.064	.023	.010	.009	.018	.237	.027	.264
2024 .....	28,304	.046	.050	.043	.062	.024	.010	.009	.018	.235	.028	.262
2025 .....	29,575	.045	.050	.043	.060	.024	.010	.009	.018	.232	.028	.260
2026 .....	30,900	.044	.049	.043	.058	.024	.010	.009	.019	.229	.028	.257
2027 .....	32,275	.044	.048	.043	.057	.024	.011	.009	.019	.226	.028	.254
2028 .....	33,704	.043	.047	.043	.055	.023	.011	.009	.019	.222	.028	.250
2029 .....	35,196	.043	.046	.042	.054	.023	.011	.009	.019	.219	.028	.247
2030 .....	36,750	.042	.045	.042	.053	.022	.012	.009	.019	.216	.028	.244
2031 .....	38,369	.042	.045	.041	.052	.022	.012	.009	.020	.213	.028	.241
2032 .....	40,063	.042	.044	.040	.051	.021	.012	.008	.020	.210	.028	.238
2033 .....	41,843	.041	.043	.040	.050	.020	.013	.008	.020	.207	.028	.235
2034 .....	43,703	.041	.042	.039	.049	.020	.013	.008	.020	.204	.028	.232
2035 .....	45,659	.040	.041	.039	.048	.019	.013	.007	.020	.201	.028	.229
2036 .....	47,710	.039	.041	.038	.048	.019	.013	.007	.021	.198	.028	.226
2037 .....	49,863	.038	.040	.037	.047	.018	.013	.007	.021	.195	.028	.222
2038 .....	52,130	.038	.040	.037	.047	.018	.013	.007	.021	.191	.027	.219

<sup>a</sup> Projected values based on the intermediate economic assumptions of the 2014 OASDI Trustees Report.

Note: Totals do not necessarily equal the sums of rounded components. Historical GDP amounts subject to revision.

**E. THE SSI PROGRAM'S SHARE OF SSA'S ADMINISTRATIVE COSTS AND BENEFICIARY SERVICES COSTS**

SSA administers the SSI program, but unlike the OASDI program, general revenues fund the SSI program. When the SSI program began in 1972, the agency's existing field office network and its automated data processing capabilities made it uniquely qualified to administer the program. Because the administration of the SSI and OASDI programs is integrated, it is more practical to fund them from a single source. The trust funds and the general fund pay their appropriate share of administrative expenses into SSA's Limitation on Administrative Expenses account, which funds the total operating expenses of the agency. A Government Accountability Office approved method of cost analysis is used to determine the appropriate share of administrative expenses borne by each funding source, and a final settlement of costs is made by the end of the subsequent fiscal year. If necessary, section 201(g)(1) of the Act provides that the Social Security trust funds may temporarily finance SSI administrative expenses, including Federal administration of State supplementation payments. General revenues subsequently reimburse the trust funds, including any interest lost.

The SSI program also provides beneficiary services to recipients through State VR agencies and ENs for VR services and payments under the Ticket to Work program. VR strives to help individuals with disabilities achieve and sustain productive, self-supporting work activity.

**Table IV.E1.—Selected SSI Costs, Fiscal Years 1978-2014**  
[Outlays in millions]

Fiscal year	SSI administrative expenses <sup>a</sup>	Beneficiary services <sup>b</sup>
1978.....	\$539	\$31.6
1979.....	611	57.0
1980.....	668	33.1
1981.....	717	37.3
1982.....	780	12.0
1983.....	846	8.0
1984.....	864	<sup>c</sup> 84.0
1985.....	956	3.0
1986.....	1,023	7.2
1987.....	977	9.5
1988.....	976	12.9
1989.....	1,052	20.0
1990.....	1,075	28.3
1991.....	1,230	33.1
1992.....	1,426	36.0
1993.....	1,468	32.3
1994.....	1,780	33.8
1995.....	1,978	48.2
1996.....	1,953	71.8
1997.....	2,055	77.3
1998.....	2,304	46.0
1999.....	2,493	52.0
2000.....	2,321	53.7
2001.....	2,397	43.9
2002.....	2,522	54.0
2003.....	2,656	37.0
2004.....	2,806	38.6
2005.....	2,795	30.4
2006.....	2,916	38.9
2007.....	2,857	36.1
2008.....	2,820	45.1
2009.....	3,316	48.6
2010.....	3,629	46.1
2011.....	3,931	33.0
2012.....	3,881	35.5
2013.....	3,789	55.6
2014 (estimated)	5,131	68.0

<sup>a</sup> Includes user fees charged to participating States to reimburse SSA for the costs of administering their SSI State supplementation program.

<sup>b</sup> Includes payments for referral and monitoring services for drug addicts and alcoholics through December 1996; these payments were terminated effective January 1997.

<sup>c</sup> Reflects a one-time payment to State VR agencies for prior year expenses.



## V. APPENDICES

### A. HISTORY OF PROVISIONS

Act

#### 1. Basic Eligibility Requirements

**1972**

*Public Law 92-603,  
enacted October 30*

An individual may qualify for payments on the basis of age, blindness, or disability.

**Aged:** Any person aged 65 or older (unchanged from requirements under State Old-Age Assistance (OAA) program).

**Blind:** Any person with 20/200 or less vision in the better eye with the use of a correcting lens, or with tunnel vision of 20 degrees or less. An individual transferred from a State Aid to the Blind (AB) program to Supplemental Security Income (SSI) is eligible if he or she received such State aid in December 1973 and continues to meet the October 1972 State definition of blindness.

**Disabled:** Any person unable to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. For a child under age 18, eligibility is based on disability of severity comparable with that of an adult. An individual transferred from a State Aid to the Permanently and Totally Disabled (APTD) program to SSI is also eligible if he or she received such State aid in December 1973 and continues to meet the October 1972 State definition of disability.

**1973**

*Public Law 93-233,  
enacted December 31*

Only persons who had received APTD before July 1973 and were on the rolls in December 1973 may receive SSI on the basis of the State definition of disability; those who became eligible for State aid from July to December 1973 must meet the Federal definition of disability.

**1980**

*Public Law 96-265,  
enacted June 9*

A disabled recipient who loses Federal SSI eligibility because of earnings at the SGA level may continue to receive a special benefit under section 1619 and retain eligibility for Medicaid under title XIX of the Social Security Act. This special benefit status may continue as long as the recipient has the disabling impairment and meets all nondisability SSI eligibility criteria. States have the option of supplementing this special benefit.

This provision of the law was in effect from January 1, 1981, through December 31, 1983. Beginning in January 1984, under a 1-year demonstration project, this provision was continued for persons already eligible for either regular SSI payments or special monthly benefits.

**1984**

*Public Law 98-460,  
enacted October 9*

The special benefit and Medicaid provisions of the 1980 legislation were extended through June 30, 1987 (retroactive to January 1, 1984).

**1986**

*Public Law 99-643,  
enacted November 10*

The special benefit and Medicaid provisions of the 1980 amendments are made permanent. The provisions were amended effective July 1, 1987, with significant modifications to simplify administration and to allow free movement between regular SSI disability payments and either the special cash benefit or Medicaid eligibility under section 1619. The distinction between a disabled person eligible for regular SSI payments and one eligible for 1619(a) is that the lat-

*Act*

ter has several months with gross earnings above the SGA level. Previously, section 1619(a) status required completion of a trial work period and the determination that the work was SGA.

**1996**

*Public Law 104-193,  
enacted August 22*

For individuals under age 18, the “comparable severity” standard is eliminated and replaced with a requirement that a child be considered disabled if he or she has a medically determinable impairment that results in “marked and severe functional limitations,” and meets the existing statutory duration requirement. The law also eliminates references to “maladaptive behaviors” from the personal/behavioral domain of the mental disorders in the Listing of Impairments for children, and discontinues the use of individualized functional assessments for children.

SSI eligibility is prohibited for an individual in any month during which such an individual is a fugitive felon, fleeing prosecution for a felony, or violating State or Federal conditions of probation or parole.<sup>1</sup> In addition, SSI eligibility is prohibited for 10 years for those convicted of fraudulently claiming residence to obtain benefits simultaneously in two or more States.<sup>2</sup>

**2006**

*Public Law 109-171,  
enacted February 8*

Requires the Commissioner to conduct reviews of a specific percentage of SSI initial disability and blindness cases involving individuals aged 18 or older that are allowed by the State disability determination services (DDS). The provision is phased in as follows—for fiscal year 2006, the Commissioner is required to review 20 percent of DDS allowances; in fiscal year 2007, the requirement is 40 percent; and, for fiscal years 2008 and thereafter, 50 percent of all DDS allowances are required to be reviewed. These reviews are to be made before the allowance decision is implemented.

**2. Other Eligibility Provisions**

**a. Citizenship and U.S. Residency**

**1972**

*Public Law 92-603,  
enacted October 30*

The individual must reside within one of the 50 States or the District of Columbia and be a citizen or an alien lawfully admitted for permanent residence or permanently residing in the United States under color of law. Persons living outside the United States for an entire calendar month lose their eligibility for such a month.

**1976**

*Public Law 94-241,  
enacted March 24*

Eligibility for SSI is extended to residents of the Northern Mariana Islands, effective January 9, 1978.

**1980**

*Public Law 96-265,  
enacted June 9*

The income and resources of the immigration sponsors of aliens applying for SSI are considered in determining eligibility for and the amount of payment.

<sup>1</sup> In 2009, the agency entered into a nationwide class action settlement that limits the felony crime offense codes upon which fugitive felon nonpayments may be based under this statute. In 2012, based on a Federal court order, the agency stopped suspending and denying title II and title XVI benefits based solely on a probation or parole violation warrant.

<sup>2</sup> Lawmakers repealed this last provision in the 1999 Public Law 106-169 and replaced it with a provision providing for nonpayment of benefits for up to 24 months for knowingly making false or misleading statements regarding material facts.

Act

After allowances for the needs of the sponsor and his or her family, the remainder is deemed available for the support of the alien applicant for a 3-year period after admission to the United States for permanent residence. This provision does not apply to those who become blind or disabled after admission, to refugees, or to persons granted political asylum. (See section 2.g. of this appendix for subsequent changes to sponsor-to-alien deeming provisions.)

**1989**

*Public Law 101-239,  
enacted December 19*

SSI eligibility is continued for a disabled or blind child who was receiving SSI benefits while living in the United States and is now living with a parent who is a member of the U.S. Armed Forces assigned to permanent duty ashore outside the United States but not where the parent is stationed in Puerto Rico or the territories and possessions of the United States.

**1993**

*Public Law 103-66,  
enacted August 10*

Above provision made applicable where the parent is a member of the U.S. Armed Forces and stationed in Puerto Rico or the territories and possessions of the United States.

**1996**

*Public Law 104-193,  
enacted August 22*

Prohibits SSI eligibility for anyone who is not a U.S. citizen or national unless they are in a “qualified alien” category and meet one of certain exceptions such as lawful permanent residents who earn or can be credited with 40 qualifying quarters of earnings, certain refugee type categories eligible for up to 5 years of time-limited eligibility, or active duty U.S. military or veterans and their spouses and children. Extends eligibility for aliens receiving SSI as of August 22, 1996 (the enactment date of the law) for 1 year after the enactment date for those aliens found ineligible under the new standards.

*Public Law 104-208,  
enacted September 30*

Amends Public Law 104-193 to add to the list of “qualified aliens” certain non-citizens (and their children) who have been battered or subjected to extreme cruelty by a spouse or parent or a member of the spouse’s or parent’s family living in the same household.

**1997**

*Public Law 105-18,  
enacted June 12*

Extends eligibility for aliens receiving SSI as of August 22, 1996 until September 30, 1997 for those found ineligible under the new alien standards of Public Law 104-193.

*Public Law 105-33,  
enacted August 5*

Further amends Public Law 104-193 to add Cuban and Haitian entrants and the child of a parent who has been battered or subjected to extreme cruelty to the list of qualified aliens. Provides that Cuban and Haitian entrants and Amerasian immigrants qualify for time limited eligibility and increases the time limit from 5 to 7 years for all time-limited categories. Additional exceptions are added for qualified aliens: (1) lawfully residing in the United States and receiving SSI benefits on August 22, 1996; and (2) lawfully residing in the United States on August 22, 1996 and meeting the definition of blind or disabled in the Social Security Act.

Certain noncitizen American Indians are excepted from the alien nonpayment provisions of Public Law 104-193. Extends eligibility for “nonqualified aliens” receiving SSI as of August 22, 1996, until September 30, 1998.

## *History of Provisions*

### *Act*

#### **1998**

*Public Law 105-306,  
enacted October 28*

Permanently extends eligibility of all remaining “nonqualified aliens” who were receiving SSI benefits when Public Law 104-193 was enacted on August 22, 1996.

#### **2000**

*Public Law 106-386,  
enacted October 28*

Noncitizens may be eligible for SSI to the same extent as refugees, if they have been certified by the Department of Health and Human Services to be victims of “severe forms of trafficking in persons.”

#### **2004**

*Public Law 108-203,  
enacted March 2*

Extends SSI eligibility to blind or disabled children who are U.S. citizens living with a parent assigned to permanent U.S. military duty outside of the United States, and who were not receiving SSI benefits while in the United States. Previously, only blind or disabled children who received an SSI benefit for the month before the parent reported for permanent duty abroad were eligible. Effective April 2004 for applications filed after enactment.

#### **2007**

*Public Law 110-161,  
enacted December 26*

Provides certain Iraqi and Afghan aliens with special immigrant status as described in section 101(a)(27) of the Immigration and Nationality Act. As special immigrants, these Iraqi and Afghan aliens are eligible for resettlement assistance, entitlement programs, and other benefits available to refugees admitted under section 207 of such Act (admission of refugees in emergency situations) for a period not to exceed 6 months.

#### **2008**

*Public Law 110-181,  
enacted January 28*

Provides certain Iraqi aliens who have provided service to the United States with special immigrant status, as described in section 101(a)(27) of the Immigration and Nationality Act. As special immigrants, these Iraqis are eligible for resettlement assistance, entitlement programs, and other benefits available to refugees admitted under section 207 of such Act (admission of refugees in emergency situations) for a period not to exceed 8 months.

*Public Law 110-328,  
enacted September 30*

Extends the 7-year SSI eligibility period for certain refugees, asylees, and other humanitarian immigrants (including victims of human trafficking) to 9 years for the period October 1, 2008 through September 30, 2011. Those with naturalization applications pending or awaiting the swearing-in-ceremony are exempt from time limitations through September 30, 2011. Also applies to the noncitizens whose SSI had previously ceased due to the expiration of the 7-year period. For these noncitizens, SSI benefits will be paid for months in the period October 1, 2008 through September 30, 2011, for the duration of the noncitizen’s re-established eligibility.

#### **2009**

*Public Law 111-118,  
enacted December 19*

Eliminates the 8-month time limit on SSI eligibility for certain Iraqi and Afghan refugees who have provided service to the United States. The time-limited eligibility for these individuals is now the same period applicable to other humanitarian refugees.

#### ***b. Other Benefits***

#### **1980**

*Public Law 96-272,  
enacted June 17*

SSI applicants and recipients are not required as a condition of eligibility to elect to receive Veterans Administration<sup>1</sup> pensions under the Veterans and Sur-

<sup>1</sup>The Veterans Administration was replaced by the Department of Veterans Affairs which was established on March 15, 1989.

Act

vivors' Pension Improvement Act of 1978 if the State of residence lacks a medically needy program under title XIX.

*c. Drug Addiction and Alcoholism*

**1972**

*Public Law 92-603,  
enacted October 30*

Any disabled individual who has been medically determined to be an alcoholic or drug addict must accept appropriate treatment, if available, in an approved facility and demonstrate compliance with conditions and requirements for treatment.

SSI payments are required to be made through a representative payee—another person or public or private agency designated by the Social Security Administration (SSA) to manage the recipient's benefits on his or her behalf.

**1994**

*Public Law 103-296,  
enacted August 15*

Any individual who is receiving SSI based on a disability where drug addiction or alcoholism is a contributing factor material to the finding of disability must comply with the drug addiction and alcoholism (DAA) treatment requirements. The individual must accept appropriate treatment when it is available and comply with the conditions and terms of treatment. Instances of noncompliance with the requirements result in progressively longer payment suspensions. Before payments can resume, the individual must demonstrate compliance for specific periods: 2 months, 3 months, and 6 months, respectively, for the first, second, third and subsequent instances of noncompliance. An individual who is not in compliance with the DAA treatment requirements for 12 consecutive months shall not be eligible for payments; however, this does not prevent such individuals from reapplying and again becoming eligible for payments.

SSI disability payments based on DAA are also limited to a total of 36 benefit months (beginning March 1995) regardless of whether appropriate treatment is available. Months for which benefits are not due and received do not count towards the 36-month limit.

Payments based on DAA must be made to a representative payee. Preference is required to be given to community-based, nonprofit social service agencies and Federal, State, or local government agencies in representative payee selection. These agencies when serving as payees for individuals receiving payments based on DAA may retain the lesser of 10 percent of the monthly benefit or \$50 (adjusted annually after 1995 by the Automatic Cost-of-Living Increase) as compensation for their services.

Establishment of one or more referral and monitoring agencies for each State is required.

**1996**

*Public Law 104-121,  
enacted March 29*

An individual is not considered disabled if DAA is a contributing factor material to a finding of disability.

Applies DAA representative payee requirements enacted under Public Law 103-296 to disabled SSI recipients who have a DAA condition and are incapable of managing their benefits. In addition, these recipients shall be referred to the appropriate State agency administering the State plan for substance abuse treatment.

Act

**1972**

*Public Law 92-603,  
enacted October 30*

**d. Institutionalization**

An individual who is an inmate of a public institution is ineligible for SSI payments unless the institution is a facility approved for Medicaid payments and is receiving such payments on behalf of the person. Under *regulations*, the Medicaid payment must represent more than 50 percent of the cost of services provided by the facility to the individual.

**1976**

*Public Law 94-566,  
enacted October 20*

An inmate of a publicly operated community residence serving no more than 16 persons may, if otherwise eligible, receive SSI.

**1983**

*Public Law 98-21,  
enacted April 20*

Payments may be made to persons who are residents of public emergency shelters for the homeless for a period of up to 3 months in any 12-month period.

**1986**

*Public Law 99-643,  
enacted November 10*

Effective July 1, 1987, disabled or blind recipients who were receiving special SSI payments or had special SSI recipient status under section 1619 in the month preceding the first full month of institutionalization, may receive payments based on the full Federal benefit rate for the initial 2 full months of institutionalization if they reside in certain public or private Medicaid facilities.

**1987**

*Public Law 100-203,  
enacted December 22*

Effective January 1, 1988, payments may be made to persons who are residents of public emergency shelters for the homeless for up to 6 months in a 9-month period.

Effective July 1, 1988, continued payment of SSI benefits for up to 3 months is permitted, at the rate that was applicable in the month prior to the first full month of institutionalization, for individuals whose expected institutional stay on admission is not likely to exceed 3 months as certified by a physician, and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return.

**1996**

*Public Law 104-193,  
enacted August 22*

Effective December 1996, institutionalized children under age 18 whose private health insurance is making payments to the institution may receive no more than \$30 per month in Federal SSI.

**e. Vocational Rehabilitation and Treatment**

**1972**

*Public Law 92-603,  
enacted October 30*

Blind or disabled individuals receiving Federal SSI benefits who are under age 65, must be referred to the State agency providing services under the Vocational Rehabilitation Act and must accept the services offered. States are reimbursed for the cost of services.

**1976**

*Public Law 94-566,  
enacted October 20*

Blind or disabled children under age 16 must be referred to the State agency administering crippled children's services or to another agency designated by the State. States are reimbursed for the cost of services.

Of funds provided for these services, at least 90 percent must be used for children under age 6 or for those who have never attended public schools.

Act

**1980**

*Public Law 96-265,  
enacted June 9*

Disabled SSI recipients who medically recover while enrolled in approved vocational rehabilitation (VR) programs of State VR agencies may continue to receive benefits during their participation in such programs if the Commissioner of Social Security determines that continuation in the program will increase the probability that they leave the rolls permanently.

**1981**

*Public Law 97-35,  
enacted August 13*

Funding no longer provided under title XVI for medical, social, developmental and rehabilitative services to disabled or blind children.

Reimbursement for the cost of rehabilitation services will be made only if the services result in the recipient's return to work for a continuous period of 9 months. The work must be at the SGA earnings level.

**1984**

*Public Law 98-460,  
enacted October 9*

Authorizes the reimbursement of States for the cost of VR services provided to individuals who: (1) continue to receive benefits after medical recovery because they are participating in a State VR program; or (2) refuse, without good cause, to continue in or cooperate with the VR program in which they had been participating.

**1987**

*Public Law 100-203,  
enacted December 22*

Extends the provision for continuation of payments to disabled SSI recipients who have medically recovered while enrolled in an approved VR program to include blind SSI recipients.

**1990**

*Public Law 101-508,  
enacted November 5*

Reimbursement authorized for the cost of VR services provided in months in which the individual was not receiving Federal SSI payments if:

- SSI recipient status for Medicaid eligibility purposes was retained under work incentive provisions; or
- Benefits were in suspense<sup>1</sup> status (for a reason other than cessation of disability or blindness); or
- Federally administered State supplementation was received.

Extends benefit continuation provision to disabled SSI recipients who medically recover while participating in a non-State VR program.

**1999**

*Public Law 106-170,  
enacted December 17*

Establishes a Ticket to Work and Self-Sufficiency program which will provide SSI and Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries entitled on the basis of disability with a ticket that can be used to obtain VR services, employment services, or other support services, from an employment network (EN) of their choice. An EN chooses one of the two EN payment options at the time it submits an application to SSA to become an EN. The chosen payment system will apply to all beneficiaries served. An EN can elect to receive payment under the:

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<sup>1</sup> Recipients who have lost eligibility for SSI benefits for fewer than 13 consecutive months are in suspended payment status.

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- Outcome payment system, under which it can receive payment for up to 60 outcome payment months, which are defined as months in which SSA does not pay any Federal disability cash benefits to a beneficiary because of work or earnings; or
- Outcome-milestone payment system, under which it can receive payment for one or more milestones in addition to reduced outcome payments, but will receive less in total than under the outcome payment system.

The Commissioner will initially establish and periodically review the amount and duration of the outcome payments and the number and amounts of the outcome-milestone payments.

Also eliminates the requirement that blind or disabled SSI recipients age 16 through 64 be referred to the State VR agency and accept the services offered.

**Under the initial regulation, effective January 28, 2002:**

- The outcome payment system provided that ENs could receive payment for up to 60 outcome payment months for both OASDI and SSI beneficiaries based on earnings exceeding the SGA level and the beneficiary no longer receiving Federal disability cash benefits because of work or earnings; and
- The outcome-milestone payment system provided that ENs could receive up to four milestone payments in addition to reduced outcome payments. The four milestones were based on gross earnings exceeding the SGA level for specified months. Milestone payments were made only for milestones achieved prior to the first outcome payment month, and outcome payments were reduced by the amount of milestone payments received. Four milestone payments plus 60 months of reduced outcome payments equaled 85 percent of the total that would be available if the EN chose the outcome payment system.

**Under the revised regulation, effective July 21, 2008:**

- The outcome payment system provides that ENs can receive payment for up to 60 outcome payment months for an SSI beneficiary and up to 36 outcome payment months for an OASDI beneficiary (including a concurrent OASDI/SSI disability beneficiary), with the reduction in available number of outcome months for OASDI beneficiaries offset by an increased outcome payment; and
- The outcome-milestone payment system provides that ENs can receive the following milestone payments in addition to outcome payments:
  - Up to four Phase 1 milestones achieved by either an OASDI or SSI beneficiary (including a concurrent OASDI/SSI disability beneficiary); and
  - Up to 11 Phase 2 milestones achieved by an OASDI or concurrent beneficiary or up to 18 Phase 2 milestones achieved by an SSI beneficiary.

Phase 1 milestones are based on gross earnings at or above trial work level for specified months, and Phase 2 milestones are based on gross earnings exceeding the SGA level for specified months. These milestones must occur before the EN



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enters the first month for which it is eligible for an outcome payment. If an available milestone payment is not paid prior to the outcome period, it is payable in a reconciliation payment when the beneficiary reaches the 12<sup>th</sup> outcome month. This payment amount is equal to the total amount of unpaid Phase 1 and Phase 2 milestones that were available when the ticket was first assigned. The Phase 1 and Phase 2 milestone payments and outcome payments equal 90 percent of the total that would be available if the EN chose the outcome payment system.

*f. Continuing Disability Reviews and Eligibility Redeterminations***1994**

*Public Law 103-296,  
enacted August 15*

During each of fiscal years 1996, 1997, and 1998, requires SSA to conduct continuing disability reviews (CDRs) on a minimum of 100,000 SSI recipients. In addition, during the same period, requires SSA to redetermine the SSI eligibility of at least one-third of all child SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

**1996**

*Public Law 104-193,  
enacted August 22*

Repeals the requirement that SSA redetermine the eligibility of at least one-third of all child SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18.

Requires a CDR:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment that is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Requires eligibility redetermination under the adult disability standard for all child SSI recipients eligible for the month before the month in which they attain age 18.

Requires redetermination of eligibility for children considered disabled based on an individualized functional assessment or consideration of maladaptive behavior.

Requires the representative payee of a child SSI recipient whose continuing eligibility is being reviewed to present evidence that the recipient is receiving treatment that is considered medically necessary and available for the condition that was the basis for providing SSI benefits.

**1997**

*Public Law 105-33,  
enacted August 5*

Modifies provision of Public Law 104-193 to extend from 12 to 18 months the period for redetermining the disability of children under age 18 under the new childhood disability standard.

Modifies provision of Public Law 104-193 to permit SSA to schedule a CDR for a disabled child for whom low birth weight is a contributing factor material to the determination of disability, at a date after the child's first birthday if the Commissioner determines the impairment is not expected to improve within 12 months of the child's birth.

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Modifies provision of Public Law 104-193 to provide SSA the authority to make redeterminations of disabled childhood recipients who attain age 18, more than 1 year after the date such recipient attains age 18.

**1999**

*Public Law 106-170,  
enacted December 17*

Prohibits the initiation of a CDR during the period that a recipient is “using a ticket” under the Ticket to Work program.

***g. Deeming of Income and Resources***

**1972**

*Public Law 92-603,  
enacted October 30*

Deeming occurs when the income and resources of certain family members living in the same household with the SSI recipient are considered in determining the amount of the SSI payment. These family members are the ineligible spouse of an adult recipient and the ineligible parents of a child recipient under age 21. After deduction of personal allocations for the spouse (or parents) and for ineligible children in the home and after application of income exclusions, any remaining income of the spouse (or parents) is added to the income of the eligible person.

**1980**

*Public Law 96-265,  
enacted June 9*

Children aged 18 or older are not subject to parental deeming.

Sponsor’s income and resources deemed to an alien for 3 years.

**1989**

*Public Law 101-239,  
enacted December 19*

Disabled children receiving home care services under State Medicaid programs who are ineligible for SSI because of deeming of parental income and who received SSI benefits limited to \$30 while in a medical treatment facility may receive the \$30 monthly allowance that would be payable if the recipient were institutionalized.

**1993**

*Public Law 103-66,  
enacted August 10*

Considers an ineligible spouse or parent who is absent from the household due to active military service to be a member of the household for deeming purposes.

*Public Law 103-152,  
enacted November 24*

Sponsor-to-alien deeming period extended from 3 years to 5 years, effective January 1, 1994 through September 30, 1996.

**1996**

*Public Law 104-193,  
enacted August 22*

Deeming of income and resources from an immigration sponsor to a noncitizen continues until citizenship, with exceptions for those who earn, or can be credited with, 40 qualifying quarters of earnings. Effective for those whose sponsor signs a new legally enforceable affidavit of support.

*Public Law 104-208,  
enacted September 30*

Amends Public Law 104-193 to add two exceptions to the sponsor-to-alien deeming:

- Provides that if the noncitizen is indigent and would be unable to obtain food and shelter without SSI benefits even after receiving support from the sponsor, then only the amount of income and resources actually provided by the sponsor will be counted for a 12-month period after a determination of indigence; and

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- Provides that in certain cases, deeming would not apply for a 12-month period (with some options for extension) if the noncitizen (or his or her children) has been battered or subjected to extreme cruelty by family members.

**1997**

*Public Law 105-33,  
enacted August 5*

Amends Public Law 104-208 to add an additional exception to sponsor-to-alien deeming when the parent of a noncitizen has been battered or subjected to extreme cruelty by family members.

**2006**

*Public Law 109-163,  
enacted January 6*

Provides that individuals who were made ineligible for SSI because of their spouses or parents being called to active military duty would not have to file a new application for SSI benefits if they again could be eligible for benefits before the end of 24 consecutive months of ineligibility.

### **3. Federal Benefit Payments**

#### ***a. Windfall Offset***

**1980**

*Public Law 96-265,  
enacted June 9*

Prevents a windfall to claimants concurrently entitled to SSI payments and OASDI retroactive benefits for the same period. Retroactive OASDI benefits resulting from an initial award are reduced by the amount of SSI payments that would not have been paid if the OASDI benefits had been paid when due.

**1984**

*Public Law 98-369,  
enacted July 18*

Offset provision expanded to allow for reduction of retroactive SSI benefits and to apply in cases of OASDI benefit reinstatement.

#### ***b. Proration of Benefit***

**1982**

*Public Law 97-248,  
enacted September 3*

Benefit for first month of eligibility to be prorated by the number of days in the month for which an application has been filed and there is eligibility.

**1996**

*Public Law 104-193,  
enacted August 22*

Changes the effective date of an SSI application to the first day of the month following the date on which the application was filed or on which the individual first becomes eligible, whichever is later. This change, in effect, eliminates prorated payments in initial claims.

#### ***c. Retrospective Monthly Accounting***

**1981**

*Public Law 97-35,  
enacted August 13*

Changes the method of computing the SSI payment to one under which the payment amount is computed on a monthly basis and is based on income and other characteristics in the previous (or second previous) month.

**1984**

*Public Law 98-369,  
enacted July 18*

Changes the method of computing the SSI benefit to persons receiving OASDI payments. The effect of the increased OASDI income at the time of the cost-of-living increase is not delayed as it otherwise would be.

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#### **1987**

*Public Law 100-203,  
enacted December 22*

Provides an exception to retrospective monthly accounting so that amounts received under Aid to Families With Dependent Children, foster care, refugee cash assistance, Cuban-Haitian entrant assistance, or general and child welfare assistance provided by the Bureau of Indian Affairs are counted only in the month received.

#### **1993**

*Public Law 103-66,  
enacted August 10*

Changes the method of computing the SSI benefit to persons receiving the value of the one-third reduction. The effect of the increased value at the time of the cost-of-living increase is not delayed as it otherwise would be. Effective January 1995.

#### **2004**

*Public Law 108-203,  
enacted March 2*

Eliminates triple counting of one-time, nonrecurring income by providing that this income will be counted only for the month that the income is received, and not for any other month during the transition to retrospective monthly accounting, which occurs during the first 3 months of an individual's SSI eligibility. Effective April 2005.

#### ***d. Uncashed Checks***

#### **1981**

*Public Law 97-35,  
enacted August 13*

States that have federally administered supplements to be credited their share of SSI checks that remain unnegotiated for 180 days.

#### **1987**

*Public Law 100-86,  
enacted August 10*

SSI checks now unnegotiable after 1 year. States are credited their share of SSI checks after 1 year rather than 180 days.

#### ***e. Rounding of Payment Amounts***

#### **1982**

*Public Law 97-248,  
enacted September 3*

Cost-of-living adjustments in the Federal SSI benefit and income eligibility levels are to be rounded to the next lower whole dollar after the adjustment is calculated. Subsequent cost-of-living adjustments will be calculated on the previous year's benefit standard before rounding.

#### ***f. Penalties for False or Misleading Statements or Withholding of Information***

#### **1999**

*Public Law 106-169,  
enacted December 14*

Provides for the nonpayment of OASDI and SSI benefits (6, 12 and 24 months, respectively, for the first, second, and third or subsequent violations) for individuals found to have knowingly made a false or misleading statement of material fact for use in determining eligibility for benefits.

#### **2004**

*Public Law 108-203,  
enacted March 2*

Expands the administrative sanction of nonpayment of benefits to situations where an individual has failed to disclose material information if the person knew or should have known that such failure was misleading.

Authorizes Federal courts to order a defendant convicted of defrauding Social Security, Special Veterans Benefits, or SSI to make restitution to SSA. Restitution funds would be deposited to the trust funds or General Fund of the Treasury as appropriate. Effective with respect to violations occurring on or after the date of enactment.

Act

**g. *Installment Payments*****1996***Public Law 104-193,  
enacted August 22*

Establishes a schedule for paying retroactive SSI payment amounts that exceed 12 times the Federal benefit rate (FBR) plus the State supplement level. Payments would be made at 6-month intervals:

- The first installment would be 12 times the FBR plus any federally administered State supplement.
- Any remaining retroactive benefits would be paid in a second installment (not to exceed the first payment amount).
- All remaining retroactive benefits would be paid in the third installment.

Provides that where an underpaid individual has incurred debts to provide for food, clothing or shelter, has expenses for disability-related items and services that exceed the installment amount, or has entered into a contract to purchase a home, the installment payment would be increased by the amount needed to cover those debts, expenses and obligations.

Provides that full retroactive payments be paid to an individual who is terminally ill or, if currently ineligible, is likely to remain so for the next 12 months.

**2006***Public Law 109-171,  
enacted February 8*

Requires that past-due monthly SSI benefits that exceed three times the maximum monthly benefit (FBR plus State supplementation payment amount if any) payable to the individual be paid in up to three installment payments, 6 months apart. Also, limits the amount of the first two installment payments to three times the maximum monthly benefit. All remaining benefits due are to be paid in the third installment. As under current law, the amounts of the installment payments may be increased in certain cases, such as those in which the individual has necessary medical needs or has outstanding debt relating to food, clothing, or shelter.

Effective 3 months after February 8, 2006.

**h. *Retroactive Payments to Prisoners, Fugitive Felons, and Probation or Parole Violators*****2009***Public Law 111-115,  
enacted December 15*

Prohibits the payment of any retroactive SSI benefits to individuals while they are in prison; in violation of conditions of their parole or probation; or fleeing to avoid prosecution, custody, or confinement for a felony or a crime punishable by sentence of more than 1 year.

**4. Federal Benefit Rates**

The FBR is the standard SSA uses to compute the amount of Federal SSI payments. FBRs differ for individuals and couples living in households and for persons in medical treatment facilities where Medicaid pays more than 50 percent of the cost of care. Individuals or couples living in their own households are eligible for the full FBR. If an individual or couple is living in another person's household and receiving support and maintenance there, we reduce the FBR by one-third. We increase the FBR for persons in households annually to reflect increases in the cost of living. There is a summary of legislation affecting the level of FBRs since the inception of the SSI program in table V.A1.

Table V.A1.—Federal Benefit Rates Set by Legislation

Act	Living arrangements <sup>a</sup>	Amount <sup>b</sup>		Conditions
		Individual	Couple	
1972 <sup>c</sup> .....	Own household <sup>d</sup>	\$130.00	\$195.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 <sup>e</sup> .....	—	140.00	210.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 <sup>f</sup> .....	—	140.00	210.00	Effective January 1, 1974.
1973 <sup>f</sup> .....	—	146.00	219.00	Effective July 1, 1974.
1974 <sup>g</sup> .....	—	—	—	Mechanism established for providing cost-of-living adjustments coordinated with earlier legislation applying to OASDI cash benefits. SSI payments to be increased by the same percentage as OASDI benefits and at the same time.
	—	<sup>h</sup> 157.70	<sup>h</sup> 236.60	Effective July 1, 1975.
1983 <sup>i</sup> .....	—	304.30	456.40	Effective July 1, 1983 (general benefit increase).
	—	<sup>h</sup> 314.00	<sup>h</sup> 472.00	Effective January 1, 1984.
1973 <sup>e</sup> .....	Increment for “essential person” in household	65.00	—	Was to be effective January 1, 1974. For persons transferred from OAA, AB, or APTD programs who were receiving payments in December 1973 under a State plan that took account of “essential persons” in the household.
	—	70.00	—	Was to be effective July 1, 1974.
1973 <sup>f</sup> .....	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 <sup>g</sup> .....	—	—	—	Mechanism established for providing cost-of-living adjustments.
	—	<sup>h</sup> 78.90	—	Effective July 1, 1975.
1983 <sup>i</sup> .....	—	152.50	—	Effective July 1, 1983 (general benefit increase).
	—	<sup>h</sup> 157.00	—	Effective January 1, 1984.
1972 <sup>c</sup> .....	Receiving institutional care covered by Medicaid	25.00	50.00	Effective January 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).
1987 <sup>j</sup> .....	—	30.00	60.00	Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Act).

<sup>a</sup> For those in another person’s household receiving support and maintenance there, the FBR is reduced by one-third.

<sup>b</sup> For those without countable income. These payments are reduced by the amount of countable income of the individual or couple.

<sup>c</sup> Public Law 92-603, enacted October 30, 1972.

<sup>d</sup> Includes persons in private institutions whose care is not provided by Medicaid.

<sup>e</sup> Public Law 93-66, enacted July 9, 1973.

<sup>f</sup> Public Law 93-233, enacted December 31, 1973.

<sup>g</sup> Public Law 93-368, enacted August 7, 1974.

<sup>h</sup> Subject to automatic provisions, see table IV.A2.

<sup>i</sup> Public Law 98-21, enacted April 20, 1983.

<sup>j</sup> Public Law 100-203, enacted December 22, 1987.

Act

## 5. Exclusions from Income

### a. General Exclusions

**1972**

*Public Law 92-603,  
enacted October 30*

The first \$60 of earned or unearned income per calendar quarter for an individual or couple; the next \$195 and one-half the remainder of quarterly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

**1981**

*Public Law 97-35,  
enacted August 13*

The first \$20 of earned or unearned income per month for an individual or couple; the next \$65 and one-half the remainder of monthly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

**2000**

*Public Law 106-554,  
enacted December 21*

Earnings of persons defined as Social Security statutory employees (i.e., independent contractors who are treated as employees by law for certain employment tax withholdings) are treated as self-employment income for SSI purposes.

### b. Special Exclusions

**1972**

*Public Law 92-603,  
enacted October 30*

Any amount of public-agency issued tax rebate that is based on either real property or food purchase taxes.

Grants, scholarships, and fellowships used to pay tuition and fees at an educational institution.

Income required for achieving an approved self-support plan for blind or disabled persons.

Work expenses of blind persons.

For blind persons transferred from State programs to SSI, income exclusions equal to the maximum amount permitted as of October 1972 under the State programs.

Irregularly or infrequently received income totaling \$60 or less of unearned income and \$30 of earned income in a calendar quarter.

Payment for foster care of ineligible child residing in recipient's home through placement by a public or private nonprofit child care agency.

One-third of any payment received from an absent parent for the support of a child eligible for SSI.

Certain earnings of a blind or disabled child under age 22 regularly attending an educational institution.

State or local government cash payments based on need and designed to supplement SSI payments.

**1976**

*Public Law 94-331,  
enacted June 30*

Disaster assistance from income for 9 months and application of one-third reduction for 6 months for certain victims of disasters occurring between January 1, 1976 and December 31, 1976.

## *History of Provisions*

### *Act*

*Public Law 94-566,  
enacted October 20*

Any assistance based on need (including vendor payments) made to or on behalf of SSI recipients that is paid and wholly funded by State or local governments.

The value of assistance provided under certain Federal housing programs.

### **1977**

*Public Law 95-113,  
enacted September 29*

Food stamps, federally donated food, and the value of free or reduced price food for women and children under the Child Nutrition Act and National School Lunch Act.

*Public Law 95-171,  
enacted November 12*

Provisions for exclusions for support and maintenance under the Disaster Relief and Emergency Assistance Act of 1974 extended on a permanent basis. Effective January 1, 1978.

### **1980**

*Public Law 96-222,  
enacted April 1*

Earned income tax credit (EITC) treated as earned income (temporarily excluded from 1975 through 1980).

*Public Law 96-265,  
enacted June 9*

Remunerations received in sheltered workshops and work activity centers are considered earned income and qualify for earned income exclusions.

Impairment-related work expenses paid by the individual (including cost for attendant care, medical equipment, drugs, and services necessary to control an impairment) are deducted from earnings when determining if an individual is engaging in SGA. Impairment-related work expenses are excluded in calculating income for benefit purposes if initial eligibility for benefits exists on the basis of countable income without applying this exclusion.

### **1981**

*Public Law 97-35,  
enacted August 13*

Modifies provision under which irregularly or infrequently received income is excluded to conform to change from quarterly to monthly accounting; amounts excludable: \$20 or less of unearned income and \$10 of earned income in a month.

### **1982**

*Public Law 97-377,  
enacted December 21*

From December 18, 1982 to September 30, 1983, certain home energy assistance payments are excluded if a State agency certified that they are based on need.

### **1983**

*Public Law 97-424,  
enacted January 6*

Support or maintenance assistance (including home energy assistance) provided in kind by a nonprofit organization or in cash or in kind by certain providers of home energy is excluded if the State determines that the assistance is based on need. Provision is applicable through September 1984.

Certain home energy assistance payments are excluded if a State agency certified that the assistance is based on need. Provision is applicable through June 1985.

### **1984**

*Public Law 98-369,  
enacted July 18*

The 1983 provisions for support and maintenance and home energy assistance continue to October 1, 1987.

### **1986**

*Public Law 99-498,  
enacted October 17*

Educational assistance used for educational expenses under the Higher Education Act of 1965 as amended.



Act

**1987**

*Public Law 100-203,  
enacted December 22*

The 1983 provisions for support and maintenance and home energy assistance made permanent.

Excludes death payments (e.g., proceeds from life insurance) from SSI income determinations to the extent they were spent on last illness and burial.

Modifies the 1982 resource exclusion for burial funds to extend the exclusion to any burial fund of \$1,500 or less maintained separately from all other assets, thereby allowing interest to be excluded from income if retained in the fund.

**1988**

*Public Law 100-383,  
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

**1989**

*Public Law 101-239,  
enacted December 19*

Interest on agreements representing the purchase of an excluded burial space.

Payments from the Agent Orange Settlement.

Value of a ticket for domestic travel received as a gift and not cashed.

**1990**

*Public Law 101-508,  
enacted November 5*

EITC (including the child health insurance portion).

Payments received from a State-administered fund established to aid victims of crime.

Impairment-related work expenses excluded from income in determining initial eligibility for benefits.

Payments received as State or local government relocation assistance.

Payments received under the Radiation Exposure Compensation Act.

Redefines as earned income, royalties earned in connection with any publication of the individual's work and honoraria received for services rendered (previously defined as unearned income).

**1993**

*Public Law 103-66,  
enacted August 10*

Hostile fire pay to members of the uniformed services.

Payments received as State or local government relocation assistance made permanent.

**1994**

*Public Law 103-286,  
enacted August 1*

Payments to victims of Nazi persecution.

**1998**

*Public Law 105-285,  
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,  
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

## *History of Provisions*

### *Act*

*Public Law 105-369,  
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

### **2000**

*Public Law 106-554,  
enacted December 21*

Interest on funds deposited in an Individual Development Account.

Any adjustments made to prior payments from other Federal programs to account for the error in the computation of the Consumer Price Index during 1999.

### **2001**

*Public Law 107-16,  
enacted June 7*

The refundable child tax credit is excluded in determining eligibility for means-tested programs, including SSI.

### **2004**

*Public Law 108-203,  
enacted March 2*

Changes the calculation of infrequent or irregular income from a monthly to a quarterly basis. Excludes from the determination of an individual's income all interest and dividend income earned on countable resources. Effective July 2004.

Permits the student earned income exclusion to apply to any individual under age 22 who is a student. Therefore, students under age 22 who are married or heads of households would be eligible for the exclusion. Effective April 2005.

Excludes from the determination of income any gift to an individual for use in paying tuition or educational fees (just as grants, scholarships, and fellowships for such use are currently excluded from the determination of income). Effective June 2004.

### **2005**

*Public Law 109-64,  
enacted September 20*

Amends the National Flood Insurance Act of 1968 to specify that assistance provided under a program for flood mitigation activities with respect to a property would not be considered income or a resource of the owner of the property when determining eligibility for or benefit levels under any income assistance or resource-tested program (including SSI) that is funded in whole or in part by a Federal agency or by appropriated Federal funds.

### **2006**

*Public-Law 109-432,  
enacted December 20*

Extends the present law that allows combat pay to be considered for EITC purposes for one additional year (for taxable years ending before January 1, 2008). For SSI purposes, EITC payments are excluded from income and are not a countable resource for 9 calendar months following the month of receipt.

### **2008**

*Public Law 110-185,  
enacted February 13*

A rebate payment received under the Economic Stimulus Act of 2008 and any other credit or refund under section 6428 of the Internal Revenue Code would not be taken into account as income for purposes of SSI.

*Public Law 110-245,  
enacted June 17*

Privatized military housing allowances withdrawn directly from a service member's pay by military payroll and paid to the landlord will be considered in-kind income, and the SSI benefit reduction attributable to the housing allowance will be capped at one-third of the FBR. In other cases, housing allowances will be considered earned income.

Excludes any cash or in-kind benefits provided under an AmeriCorps program from income consideration. Effective for benefits payable for months beginning 60 days after enactment.

## Act

Excludes annuity payments paid by a State to a person or his or her spouse because the State has determined the person is a veteran and blind, disabled, or aged.

**2009**

*Public Law 111-5,  
enacted February 17*

A one-time economic recovery payment of \$250 to SSI recipients will not be taken into account as income for purposes of SSI.

The Making Work Pay tax credit, which provides a tax credit in the form of decreased withholding by employers, will not be counted as income.

A one-time payment of \$15,000 for eligible Filipino veterans who are citizens of the United States and \$9,000 for eligible veterans who are noncitizens will not be taken into account as income for SSI purposes.

**2010**

*Public Law 111-148,  
enacted March 23*

Excludes incentives an SSI recipient with Medicaid receives for participating in an “Incentives for Prevention of Chronic Diseases in Medicaid” program from consideration as income.

*Public Law 111-255,  
enacted October 5*

Excludes the first \$2,000 received during a calendar year by an SSI recipient or spouse as compensation for participation in a clinical trial for rare diseases or conditions from consideration as income. The exclusion is effective for a 5-year period from date of enactment.

*Public Law 111-291,  
enacted December 8*

Excludes any settlement payments to American Indians under the Claims Resettlement Act of 2010 from consideration as income.

*Public Law 111-312,  
enacted December 17*

Excludes Federal tax refunds and advance payment of refundable tax credits received after December 31, 2009 but before January 1, 2013 from consideration as income.

**2013**

*Public Law 112-240,  
enacted January 2*

Makes permanent the exclusion from income of all refundable Federal advanced tax credits.

**6. Resources****1972**

*Public Law 92-603,  
enacted October 30*

Countable resources limited to \$1,500 or less for an individual and to \$2,250 or less for a couple.

**1984**

*Public Law 98-369,  
enacted July 18*

Limit on countable resources raised by \$100 a year for individuals and \$150 a year for couples beginning in calendar year 1985 through 1989. The respective limits would become \$2,000 for an individual and \$3,000 for a couple in 1989 and thereafter.

**1999**

*Public Law 106-169,  
enacted December 14*

Includes generally in the countable resources of an individual the assets of a trust that could be used for the benefit of the individual or spouse.

**a. General Exclusions****1972**

*Public Law 92-603,  
enacted October 30*

A home of reasonable value—established *by regulation* as not exceeding a fair-market value of \$25,000 (\$35,000 in Alaska and Hawaii).

## History of Provisions

### Act

Personal effects and household goods of reasonable value—established *by regulation* as not exceeding a total market value of \$1,500.

An automobile of reasonable value—established *by regulation* as not exceeding a market value of \$1,200.

An automobile may be excluded, regardless of value, if the individual's household uses it for employment or medical treatment or if it is modified to be operated by or for transportation of a person with a disability.

Life insurance with face value of \$1,500 or less.

### 1976

*Public Law 94-569,  
enacted October 20*

The recipient's home, regardless of value, is excluded from consideration in determining resources.

### 1977

*Public Law 95-171,  
enacted November 12*

Assistance received under the Disaster Relief and Emergency Assistance Act of 1974 for 9 months following receipt.

### 1979

Reasonable value for an automobile increased *by regulation* to \$4,500 of current-market value; personal goods and household effects increased to \$2,000 of equity value.

### 1982

*Public Law 97-248,  
enacted September 3*

The value, within prescribed limits, of a burial space for the recipient, spouse, and immediate family is excluded. In addition, \$1,500 each (less the value of already excluded life insurance and any amount in an irrevocable burial arrangement) may be set aside for the burial of the recipient and spouse.

### 1984

*Public Law 98-369,  
enacted July 18*

The unspent portion of any retroactive OASDI or SSI payment is excluded for 6 months following its receipt, and the individual must be given written notice of the time limit on the exclusion.

### 1985

*Regulations* permit exclusion, regardless of value, of an automobile needed for essential transportation or modified for a person with a disability. The \$4,500 current market value limit applies only if no automobile could be excluded based on the nature of its use.

### 1987

*Public Law 100-203,  
enacted December 22*

Provides for suspension of the 1980 transfer of assets provision in any month that it is determined that undue hardship would result.

Real property that cannot be sold for the following reasons: it is jointly owned; its sale would cause the other owner(s) undue hardship due to loss of housing; its sale is barred by a legal impediment; or the owner's reasonable efforts to sell have been unsuccessful.

Temporarily extends the 1984 exclusion of retroactive OASDI and SSI benefits from 6 months to 9 months (the longer exclusion applies to benefits paid in fiscal years 1988 and 1989).

### 1988

*Public Law 100-707,  
enacted November 23*

Removes the time limit for exclusion of disaster assistance.

## Act

**2004**

*Public Law 108-203,  
enacted March 2*

Increases to 9 months and makes uniform the time period for excluding from resources amounts attributable to payments of past-due Social Security and SSI benefits and earned income and child tax credits. Effective for such payments received on or after the date of enactment.

**2005**

*Regulations* permit exclusion, regardless of value, of:

- One automobile if used for transportation for the recipient or a member of the recipient's household; and
- Personal goods and household effects.

**b. Special Exclusions****1972**

*Public Law 92-603,  
enacted October 30*

Assets of a blind or disabled individual that are necessary to an approved plan of self-support.

Tools and other property essential to self-support, within reasonable limits. Shares of nonnegotiable stock in regional or village corporations held by natives of Alaska.

For persons transferred from State programs to SSI, resource exclusions equal to the maximum amount permitted as of October 1972 under the State program.

**1988**

*Public Law 100-383,  
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

**1989**

*Public Law 101-239,  
enacted December 19*

Specifies that no limitation can be placed on property essential to self-support used in a trade or business or by an individual as an employee (including the tools of a tradesperson and the machinery and livestock of a farmer).

Payments from the Agent Orange Settlement.

**1990**

*Public Law 101-508,  
enacted November 5*

EITC excluded for the month following the month the credit is received.

Payments received from a State-administered fund established to aid victims of crime excluded for a 9-month period. Individual not required to file for such benefits.

Payments received as State or local government relocation assistance excluded for a 9-month period. The provision expired 3 years after its effective date.

Payments received under the Radiation Exposure Compensation Act.

**1993**

*Public Law 103-66,  
enacted August 10*

Makes permanent the 9-month exclusion of payments received as State or local government relocation assistance.

**1994**

*Public Law 103-286,  
enacted August 1*

Payments to victims of Nazi persecution.

## *History of Provisions*

### *Act*

#### **1996**

*Public Law 104-193,  
enacted August 22*

Dedicated financial institution accounts required to be established for large past-due benefits for disabled individuals under age 18 with a representative payee.

#### **1998**

*Public Law 105-285,  
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,  
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,  
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

#### **2000**

*Public Law 106-554,  
enacted December 21*

Funds deposited by an individual in an Individual Development Account and the interest on those funds.

#### **2001**

*Public Law 107-16,  
enacted June 7*

The refundable child tax credit in the month of receipt and in the following month.

#### **2004**

*Public Law 108-203,  
enacted March 2*

Excludes grants, scholarships, fellowships, or gifts to be used for tuition or educational fees from an individual's countable resources for 9 months after the month of receipt.

#### **2005**

*Public Law 109-64,  
enacted September 20*

Amends the National Flood Insurance Act of 1968 to specify that assistance provided under a program for flood mitigation activities with respect to a property would not be considered income or a resource for SSI purposes.

#### **2008**

*Public Law 110-185,  
enacted February 13*

A rebate payment received under the Economic Stimulus Act of 2008 and any other credit or refund under section 6428 of the Internal Revenue Code would not be included as a resource during the month of receipt or the following 2 months.

*Public Law 110-245,  
enacted June 17*

Excludes State-provided pensions for aged, blind, or disabled veterans (or their spouses) from resources consideration. Effective for benefits payable for months beginning 60 days after enactment.

#### **2009**

*Public Law 111-5,  
enacted February 17*

A one-time economic recovery payment of \$250 to SSI recipients will not be taken into account as a resource for the month of receipt and the following 9 months.

The Making Work Pay tax credit, which provides a tax credit in the form of decreased withholding by employers, will not be taken into account as a resource for the month of receipt and the following 2 months.

A one-time payment of \$15,000 for eligible Filipino veterans who are citizens of the United States and \$9,000 for eligible veterans who are noncitizens will

Act

not be taken into account as a resource for SSI purposes, although interest earned on any such payment may be considered a resource.

**2010**

*Public Law 111-148,  
enacted March 23*

Excludes incentives an SSI recipient with Medicaid receives for participating in an “Incentives for Prevention of Chronic Diseases in Medicaid” program from consideration as a resource.

*Public Law 111-255,  
enacted October 5*

Excludes the first \$2,000 received during a calendar year by an SSI recipient or spouse as compensation for participation in a clinical trial for rare diseases or conditions from consideration as a resource. The exclusion is effective for a 5-year period from date of enactment.

*Public Law 111-291,  
enacted December 8*

Excludes any settlement payments to American Indians under the Claims Resettlement Act of 2010 from consideration as a resource for a period of 12 months from receipt.

*Public Law 111-312,  
enacted December 17*

Excludes Federal tax refunds and advance payment of refundable tax credits received after December 31, 2009 but before January 1, 2013 from consideration as a resource for a period of 12 months from receipt.

**2013**

*Public Law 112-240,  
enacted January 2*

Makes permanent the 12-month resource exclusion of all refundable Federal advanced tax credits.

***c. Transfer-of-Resources Penalties***

**1980**

*Public Law 96-611,  
enacted December 28*

Assets transferred for less than fair market value for the purpose of establishing eligibility for benefits under the Social Security Act are counted as resources for 24 months after transfer.

**1988**

*Public Law 100-360,  
enacted July 1*

Removes the transfer-of-assets penalty for transfers made July 1, 1988 or later.

**1999**

*Public Law 106-169,  
enacted December 14*

Provides a penalty under the SSI program for the disposal of resources at less than fair market value. The penalty is a loss of benefits for up to 36 months. Also provides a formula to determine the number of months.

**7. Presumptive and Emergency Payments and Interim Assistance Reimbursement**

***a. Presumptive Payments***

**1972**

*Public Law 92-603,  
enacted October 30*

A person applying on the basis of disability who meets all other criteria of eligibility and is likely to be disabled may receive payments for 3 months pending the disability determination.

**1976**

*Public Law 94-569,  
enacted October 20*

Presumptive payment provision was extended to persons applying on the basis of blindness.

## *History of Provisions*

### *Act*

#### **1990**

*Public Law 101-508,  
enacted November 5*

Extends the period for receipt of payments to 6 months.

#### ***b. Emergency Advance Payments***

#### **1972**

*Public Law 92-603,  
enacted October 30*

Any applicant who can be presumed to meet the criteria of eligibility, but has not yet been determined eligible and who is faced with a financial emergency may receive an immediate cash advance of up to \$100.

#### **1987**

*Public Law 100-203,  
enacted December 22*

Increases the maximum emergency advance payment amount to the maximum amount of the regular monthly FBR plus, if any, the federally administered State supplementation payment.

#### **1996**

*Public Law 104-193,  
enacted August 22*

Applicants who have a financial emergency may receive an emergency advance payment in the month of application, which, effective with this law, is always prior to the first month of eligibility. These advance payments are recouped by proportional reductions in the recipient's first 6 months of SSI benefits.

#### ***c. Interim Assistance Reimbursement***

#### **1974**

*Public Law 93-368,  
enacted August 7*

SSA may enter into agreements with the States to repay them directly for assistance payments made to an SSI applicant while his or her claim is being adjudicated. The repayment is made from the first check due to the individual. This legislation expires June 30, 1976.

#### **1976**

*Public Law 94-365,  
enacted July 14*

The authority to repay the State for interim assistance is made permanent.

#### **1987**

*Public Law 100-203,  
enacted December 22*

Extends interim assistance reimbursement to situations in which payments are made by States or political subdivisions to persons whose SSI payments were suspended or terminated and who subsequently are found to be eligible for such benefits. Also clarifies that the payment from which the interim assistance reimbursement is paid must be the first payment of benefits relating to the interim period.

### **8. Medicaid Eligibility**

#### **1972**

*Public Law 92-603,  
enacted October 30*

States can provide Medicaid coverage to all recipients of SSI payments. Alternatively, they can limit coverage by applying more restrictive criteria from the State Medicaid plan in effect on January 1, 1972.

States can accept SSA determination of eligibility or make their own determination.

#### **1976**

*Public Law 94-566,  
enacted October 20*

Preserves the Medicaid eligibility of recipients who become ineligible for cash SSI payments due to the cost-of-living increases in Social Security benefits.



Act

**1980**

*Public Law 96-265,  
enacted June 9*

Blind or disabled recipients under age 65 no longer eligible for either regular or special SSI payments because of their earnings may retain special SSI recipient status for Medicaid eligibility purposes under the following conditions: (1) they continue to have the disabling impairment; (2) they meet all nondisability eligibility criteria except for earned income; (3) they would be seriously inhibited from continuing employment without Medicaid services; and (4) their earnings are insufficient to provide a reasonable equivalent of SSI payments and Medicaid.

In States that do not provide Medicaid coverage categorically to all SSI recipients, qualification for Medicaid benefits depends on the State's specific eligibility and program requirements.

The Medicaid provision of the 1980 legislation was in effect from January 1, 1981 through December 31, 1983. Under a 1-year demonstration project beginning January 1, 1984, this provision was continued for persons already eligible for regular or special SSI payments or for retention of Medicaid eligibility.

**1984**

*Public Law 98-460,  
enacted October 9*

Medicaid provision of 1980 legislation extended through June 30, 1987 (retroactive to January 1, 1984).

**1986**

*Public Law 99-272,  
enacted April 7*

Restores Medicaid eligibility for some disabled widow(er)s who became ineligible for SSI when their OASDI benefits increased in 1984 because of a change in the Social Security disabled widow(er)s benefits reduction factor.

*Public Law 99-643,  
enacted November 10*

The SSI recipient status for Medicaid eligibility provision of the 1980 amendments is made permanent.

Effective July 1, 1987, certain expenses are excluded from earnings when determining sufficiency of earnings to establish SSI recipient status eligibility for Medicaid purposes:

- Impairment-related work expenses of disabled persons;
- Work expenses of blind persons;
- Income required for achieving an approved self-support plan; and
- The value of publicly funded attendant care services.

Effective July 1, 1987, preserves the Medicaid eligibility of recipients who become ineligible for SSI payments because of entitlement to, or an increase in, Social Security disabled adult child benefits on or after the effective date.

Effective July 1, 1987, requires all States to provide Medicaid coverage for recipients in special SSI status (either receiving special SSI payments or in the special recipient status described for 1980) if they received Medicaid coverage the month before special SSI status.

**1987**

*Public Law 100-203,  
enacted December 22*

Effective July 1, 1988, restores or preserves the Medicaid eligibility of persons aged 60 or older who are eligible for Social Security benefits as widows or widowers (but not eligible for Medicare) and who become ineligible for SSI payments or State supplementation because of the receipt of Old-Age or Survivors Insurance benefits under Social Security.

*Act*

**1990**

*Public Law 101-508,  
enacted November 5*

Age limit for retention of SSI recipient status for Medicaid eligibility purposes (1980 and subsequent work incentive provisions, above) is eliminated.

Preserves the Medicaid eligibility of SSI recipients who become ineligible for payments when they become entitled to Social Security disabled widow(er)s benefits following the revised definition used for their disability.

**1997**

*Public Law 105-33,  
enacted August 5*

Requires States to continue Medicaid coverage for disabled children who were receiving SSI payments as of August 22, 1996 and would have continued to be eligible for such payments except that their eligibility terminated because they did not meet the revised SSI childhood disability standard established under Public Law 104-193.

**2006**

*Public Law 109-171,  
enacted February 8*

Begins Medicaid coverage for children who are eligible for SSI effective the month the SSI application is filed or the first month of SSI eligibility, whichever is later. (Under prior law, Medicaid eligibility for such children began the month following the month of the SSI application or first eligibility.)

**9. State Supplementation**

**1972**

*Public Law 92-603,  
enacted October 30*

States are given the option of providing supplementary payments both to recipients transferred from the State program and to those newly eligible for SSI.

States may either administer the payments themselves or have SSA make payments on their behalf. When State supplementation is federally administered, SSA makes eligibility and payment determinations for the State and assumes administrative costs.

“Hold harmless” protection, which limits a State’s fiscal liability to its share of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled expenditures for calendar year 1972, is provided to States electing Federal administration of their supplementary plans. This provision applies only to supplementary payments that do not, on average, exceed a State’s “adjusted payment level.” (The adjusted payment level is the average of the payments that individuals with no other income received in January 1972; it may include the bonus value of food stamps. Adjustments are provided for payments that had been below State standards.)

**1973**

*Public Law 93-66,  
enacted July 9*

Provides for mandatory State supplementation as assurance against reduction of income for persons who received State assistance in December 1973 and were transferred to SSI. These supplementary payments must equal the difference between: (1) the amount of the State assistance payment that the individual received in December 1973 plus other income; and (2) his or her Federal SSI payment plus other income.

**1976**

*Public Law 94-585,  
enacted October 21*

After June 30, 1977, when the Federal SSI payment level is increased by a cost-of-living increase, such an increase will be excluded in calculating the “hold harmless” amount.

## Act

	Requires States to maintain State supplementation payments at the level of December 1976 (“maintenance of payments”) or to continue to pay in supplements the same total annual amounts (“maintenance of expenditures”) when the Federal SSI payment level is increased and thereby pass through any increases in Federal benefits without reducing State supplements.
<b>1982</b> <i>Public Law 97-248,</i> <i>enacted September 3</i>	Begins a 3-year phase out of “hold harmless” protection. Effective with fiscal year 1985, Wisconsin and Hawaii (the only remaining “hold harmless” States) assumed the full cost of their supplementary payments.
<b>1983</b> <i>Public Law 98-21,</i> <i>enacted April 20</i>	Federal pass-through law is adjusted: (1) by substituting the State supplementation payment levels in effect in March 1983 for those in effect in December 1976 as the levels that States must maintain in complying with the pass-through requirements; and (2) with regard to the \$20 (individual) and \$30 (couple) increase in the Federal SSI standard in July 1983, by requiring States to pass through only as much as would have been required if the SSI cost-of-living adjustment had been made in July 1983.
<b>1987</b> <i>Public Law 100-203,</i> <i>enacted December 22</i>	Provides for Federal administration of State supplements to residents of medical institutions.  Provides for required pass through of \$5 increase in Federal rate for persons whose care in institutions is paid in substantial part by Medicaid.
<b>1993</b> <i>Public Law 103-66,</i> <i>enacted August 10</i>	Requires States to pay fees for Federal administration of their State supplementation payments. The fees are \$1.67 for each monthly supplementary payment in fiscal year 1994, \$3.33 in fiscal year 1995, and \$5.00 in fiscal year 1996. Fees for subsequent fiscal years will be \$5.00 or another amount determined by the Commissioner to be appropriate. The Commissioner may charge the States additional fees for services they request that are beyond the level customarily provided in administering State supplementation payments.
<b>1997</b> <i>Public Law 105-33,</i> <i>enacted August 5</i>	Revises the schedule of per-payment fees for Federal administration of State supplementation for fiscal years 1998 (\$6.20) through 2002 (\$8.50) and provides a formula for determining the fee beyond fiscal year 2002.
<b>1999</b> <i>Public Law 106-170,</i> <i>enacted December 17</i>	A State that has an agreement with SSA to administer its supplementation payments must remit both payments and fees prior to the SSI payment date.
<b>2000</b> <i>Public Law 106-554,</i> <i>enacted December 21</i>	Changes the effective date of above provision from 2009 to 2001.
<b>1984</b> <i>Public Law 98-369,</i> <i>enacted July 18</i>	<b>10. Overpayment Recovery</b>  Limits the rate of recovering overpayments from monthly payments to the lesser of: (1) the monthly payment; or (2) 10 percent of a recipient’s monthly income. Permits a higher or lower adjustment at the request of the recipient subject to the agreement of the Commissioner. The limit does not apply if fraud, willful mis-

## *History of Provisions*

### *Act*

representation, or concealment of material information was involved on the part of the recipient or spouse in connection with the overpayment.

Waives recovery of certain overpayments due to amount of excess resources of \$50 or less.

Provides authority for the recovery of overpayments from tax refunds.

### **1998**

*Public Law 105-306,  
enacted October 28*

Authorizes SSA to collect SSI overpayments for individuals not currently eligible for SSI cash benefits by offsetting OASDI benefits, with a maximum monthly offset of no more than 10 percent of the Social Security benefit. The limit does not apply if fraud, willful misrepresentation, or concealment of material information was involved on the part of the recipient or spouse in connection with the overpayment.

### **1999**

*Public Law 106-169,  
enacted December 14*

Makes a representative payee liable for an SSI overpayment caused by a payment made to the representative payee on behalf of a recipient after the recipient's death and requires SSA to establish an overpayment control record under the representative payee's Social Security number.

Requires SSA to recover SSI overpayments from SSI lump-sum amounts by withholding at least 50 percent of the lump-sum payment or the amount of the overpayment, whichever is less.

Extends all of the debt collection authorities currently available for the collection of overpayments under the OASDI program to the SSI program.

### **2004**

*Public Law 108-203,  
enacted March 2*

Provides for recovery of overpayment of SSI benefits by withholding from OASDI and Special Veterans Benefits up to 100 percent of any underpayment of benefits and 10 percent of ongoing monthly benefits. The 10 percent limit does not apply if fraud, willful misrepresentation, or concealment of material information was involved on the part of the recipient or spouse in connection with the overpayment.

Also provides for recovery of overpayment of OASDI or Special Veterans Benefits by withholding from SSI up to 100 percent of any underpayment of benefits but limits any recovery from SSI benefits to the lesser of 100 percent of the monthly benefit or 10 percent of the individual's total monthly income.

Effective with respect to overpayments that are outstanding at the time of enactment.

### **11. Fees for Attorneys and Non-Attorney Representatives**

### **2004**

*Public Law 108-203,  
enacted March 2*

Extends the current OASDI attorney fee withholding process to SSI for a period of 5 years. Also extends OASDI and SSI fee withholding provisions to qualified non-attorneys effective with the implementation of the 5-year demonstration project mentioned below.

Authorizes a 5-year demonstration project that extends attorney fee withholding and direct pay procedures to qualified non-attorney representatives.

*Act*

**2010**

*Public Law 111-142,  
enacted February 27*

Permanently extends the OASDI fee withholding and direct pay procedures to attorney and qualified non-attorney representatives of SSI recipients. The prior authority expired February 28, 2010.

## ***B. INCOME AND RESOURCE EXCLUSIONS***

### **1. Earned Income Exclusions**

- Any refund of Federal income taxes received under section 32 of the Internal Revenue Code (relating to earned income tax credit (EITC)) and any payment received under section 3507 of the Internal Revenue Code (relating to advance payment of EITC);
- Amounts received pursuant to the Making Work Pay tax credit set forth in the American Recovery and Reinvestment Act of 2009;
- Any refundable child tax credit;
- The first \$30 of earned income in a quarter if it is infrequent or irregular, that is: (1) if it is received only once in a calendar quarter from a single source and is not also received in the month immediately preceding or the month immediately following the month of receipt regardless of whether or not these payments occur in different calendar quarters; or (2) if its receipt cannot reasonably be expected;
- Up to \$1,750<sup>1</sup> per month but not more than \$7,060 in a calendar year received by a blind or disabled recipient who is a working student under age 22 and regularly attending school;
- Any portion of the monthly \$20 exclusion that we did not exclude from unearned income;
- \$65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if a recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving Supplemental Security Income (SSI) (or disability payments under a former State plan) before age 65;<sup>2</sup>
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he or she received SSI as a blind person prior to age 65;<sup>2</sup>
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he or she attained age 65;
- Cash or in-kind income provided under an AmeriCorps program;
- Any earned income deposited into either a Temporary Assistance for Needy Families (TANF) or “Assets for Independence Act” Individual Development Account (IDA); and
- Many Federal laws in addition to the Social Security Act provide for the exclusion of earned income for SSI purposes. For the most part, the income received under these laws relates to assistance received in the form of food, housing and utilities, educational and employment benefits, or benefits derived from being a member of a Native American tribe. A complete list of laws that exclude earned income under SSI can be found in the Federal Regulations Appendix to Subpart K 20 CFR 416.

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<sup>1</sup> Effective January 1, 2014 (78 FR 66413). Based on changes in the cost of living, the student earned income exclusion increases yearly. See table V.E1 for the history of maximum monthly and calendar year exclusion amounts.

<sup>2</sup> Amounts used to pay impairment-related work expenses are deducted before the one-half of earned income deduction, whereas amounts used to pay the work expenses of the blind are deducted after the one-half of earned income deduction. As a result, amounts of blind work expenses reduce SSI earned income to a greater degree than impairment-related work expenses.

## 2. Unearned Income Exclusions

- Any public agency's refund of taxes on real property or food;
- Assistance based on need wholly funded by a State or one of its political subdivisions. This exclusion includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as TANF;
- Any portion of a grant, scholarship, fellowship, or gift to an individual used for paying tuition, fees, or other necessary educational expenses;<sup>1</sup>
- Food raised by a household if it is consumed by that household;
- Assistance received under the Disaster Relief and Emergency Assistance Act and assistance provided under any Federal statute because of a catastrophe that the President of the United States declares to be a major disaster;
- Assistance received under a program for flood mitigation activities;
- The first \$60 of unearned income in a quarter if it is infrequent or irregular, that is: (1) if it is received only once in a calendar quarter from a single source and is not also received in the month immediately preceding or the month immediately following the month of receipt regardless of whether or not these payments occur in different calendar quarters; or (2) if its receipt cannot reasonably be expected;
- Any unearned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65, or if the recipient is blind or disabled and received SSI as a blind or disabled individual in the month before he or she attained age 65;
- Periodic payments made by a State under a program established before July 1, 1973 and based solely on the recipient's length of residence and attainment of age 65;
- Payments for providing foster care to an ineligible child placed in the recipient's home by a public or private nonprofit child placement or child care agency;
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement left to accumulate and become part of the separately identifiable burial fund;
- Certain support and maintenance assistance provided in the form of home energy assistance;
- One-third of support payments made by an absent parent if the recipient is a child;
- The first \$20 of unearned income in a month other than income in the form of in-kind support and maintenance received in the household of another and income based on need;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Any interest accrued on and left to accumulate as part of the value of an excluded burial space purchase agreement (effective April 1, 1990) and any interest earned on the value of nonexcludable burial funds and burial space purchase agreements is excluded from income (effective July 1, 2004);

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<sup>1</sup> Funds used for food or shelter are not exclusions.

## *Income and Resource Exclusions*

- The value of any commercial transportation ticket for travel by a recipient or his or her spouse among the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands that is received as a gift and is not converted to cash;
- Payments received from a fund established by a State to aid victims of crime;
- State-provided pensions to aged, blind, or disabled veterans (or their spouses);
- Relocation assistance provided by a State or local government that is comparable to assistance provided under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- Hostile fire pay received from one of the uniformed services pursuant to 37 U.S.C. 310 and other kinds of additional pay received by military personnel in a combat zone;
- Interest or other earnings on a dedicated account excluded from resources;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Up to \$2,000 per calendar year in compensation for participating in clinical trials researching treatment of rare diseases and conditions;<sup>1</sup>
- TANF funds made available to an SSI recipient as part of an IDA;
- Amounts received from the Filipino Veterans Equity Compensation Fund set forth in the American Recovery and Reinvestment Act of 2009;
- Amounts received by Medicaid recipients from the “Incentives for Prevention of Chronic Diseases in Medicaid” program established by the Affordable Care Act of 2010;
- Payments to Indian landowners made in accordance with the *Cobell v. Salazar, et al.* lawsuit settlement as ratified by the Claims Resettlement Act of 2010;
- Refundable tax credits (or advance payment of such credits);
- Deposits made by a participating individual or a sponsoring nonprofit organization or State or local government into an IDA under the Assets for Independence Act IDA demonstration project and interest earned on these deposits;
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416; and
- Generally, all interest and dividend income earned on countable resources.

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<sup>1</sup> This unearned income exclusion was authorized by the Improving Access to Clinical Trials Act of 2010. The exclusion sunsets 5 years after the date of enactment (in October 2015).



### 3. Resource Exclusions

- The home in which an individual has ownership interest and that serves as the individual's principal place of residence (including the land appertaining thereto);
- Household goods and personal effects;
- One automobile if used for transportation for the recipient or a member of the recipient's household;
- Property used in a trade or business that is essential to self-support;
- Up to \$6,000 of nonbusiness property that is essential to self-support;
- Resources of a blind or disabled individual that are necessary to fulfill an approved plan to achieve self-support;
- Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act;
- Life insurance owned by an individual (and spouse, if any) provided that all life insurance on any person does not exceed a face value of \$1,500;
- Restricted allotted Indian lands;
- Disaster relief assistance;
- Assistance received under a program for flood mitigation activities;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- SSI or Old-Age, Survivors, and Disability Insurance retroactive payments for 9 months following the month of receipt;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Refunds of Federal income taxes and advances made by an employer relating to an EITC for 12 months following the month of receipt;<sup>1</sup>
- One-time economic recovery payment received under the American Recovery and Reinvestment Act of 2009, for the month of receipt and the following 9 months;
- Amounts received pursuant to the Making Work Pay tax credit set forth in the American Recovery and Reinvestment Act of 2009 for the month of receipt and the following 12 months;<sup>2</sup>
- Amounts received from the Filipino Veterans Equity Compensation Fund set forth in the American Recovery and Reinvestment Act of 2009;
- Refundable child tax credit for 12 months following the month of receipt;

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<sup>1</sup> Lawmakers extended the exclusion period from 9 to 12 months by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, for refunds or credits received between January 1, 2010 and December 31, 2012. The American Taxpayer Relief Act of 2012 (P.L. 112-240) made the 12-month exclusion permanent.

<sup>2</sup> Lawmakers extended the exclusion period from 2 to 12 months by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, for refunds or credits received between January 1, 2010 and December 31, 2012.

## *Income and Resource Exclusions*

- Refundable tax credits or advance payment of such credits for 12 months following the month of receipt;<sup>1</sup>
- Grants, scholarships, fellowships or gifts to be used for tuition or educational fees for 9 months following the month of receipt;
- Payments received as compensation for replacement or repair of losses, damages, or theft for 9 months following the month of receipt;
- Relocation assistance from a State or local government for 9 months following the month of receipt;
- Payments made from State-provided pensions to aged, blind, or disabled veterans or their spouses;
- Dedicated financial institution accounts for disabled children;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Up to \$2,000 per calendar year in compensation for participating in clinical trials researching treatment of rare diseases and conditions;
- Amounts received by Medicaid recipients from the “Incentives for Prevention of Chronic Diseases in Medicaid” program established by the Affordable Care Act of 2010;
- Payments to Indian landowners made in accordance with the *Cobell et al. v. Salazar et al.* lawsuit settlement, as ratified by the Claims Resettlement Act of 2010 (for 12 months following the month of receipt);
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Amounts deposited into either a TANF or Assets for Independence Act IDA, including matching funds and interest earned on such amounts;
- Certain trusts (e.g., those established by will or certain Medicaid trusts that will repay the State, upon the death of the recipient, for the costs of medical assistance provided to that individual); and
- Payments or benefits provided under a Federal statute other than title XVI of the Social Security Act where exclusion is provided by such statute.

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<sup>1</sup> Prior to the enactment of the American Taxpayer Relief Act of 2012 (P.L. 112-240) on January 2, 2013, this resource exclusion applied to such tax credits received between January 1, 2010 and December 31, 2012. P.L. 112-240 made the 12-month resource exclusion permanent.

### C. HISTORICAL ALLOWANCE DATA

At the end of 2013, 86 percent of Supplemental Security Income (SSI) recipients were receiving benefits based on disability or blindness. Individuals file claims at a local Social Security office, and we send claims requiring an evaluation of disability to the State disability determination services (DDS) for a disability decision. Applicants may appeal unfavorable initial DDS decisions. Historically, the State DDS conducted the first level of appeal—the reconsideration appeal step. Claimants denied at the reconsideration level could then request a hearing before an administrative law judge (ALJ) and if dissatisfied with the hearing decision could request a review by the Appeals Council. Those dissatisfied with the Appeals Council’s action could seek further relief through the Federal court system. This appeals process is still in effect for the majority of new applicants.<sup>1</sup> However, since the mid-1990s the Social Security Administration (SSA) has conducted small pilots testing revisions to this process and introduced a modification of this process that 10 States use for applications filed on or after October 1, 1999. The revised process eliminates the reconsideration step, so the first level of appeal of an initial determination is a request for hearing before an ALJ.

This process of application and appeal can span several years. However, before 1993, the only data available on the disability determination process resided in files compiled at each separate stage of the process and only captured various point-in-time snapshots. Only a longitudinal database of administrative records at all stages of appeal can provide a complete picture of the disability determination process. Beginning in 1993, SSA’s Office of Disability Programs constructed such a longitudinal database, the “Disability Research File,” to assist our agency in understanding and managing this process. However, we did encounter some problems in the construction of this database due to inconsistencies in the data collected from all the respective levels of appeal. The following sections present some additional details and qualifications essential to a complete understanding of the resulting data. Following these technical notes, tables V.C1 and V.C2 present the latest available summary of results on disability determinations under title XVI.

#### 1. Technical Notes on the Disability Research File

*Methods used to build the title XVI Disability Research File*—The “base” file for the title XVI research file is the Supplemental Security Record, the main computerized file for administering the SSI program. We match the “base” file against records from various other administrative sources, including transactions from the disability determination (SSA-831) files, Social Security number identification records and earnings data, and Office of Disability Adjudication and Review (ODAR) appeals data.

Creating the Disability Research file is a cumbersome process; it involves about 200 steps and generally requires 2 to 4 months to complete. The process is complex because we assemble the file based on filing date cohorts, and many of the source files do not contain a filing date. The basic data sources provide information for the 3 most recent calendar year cohorts. Older calendar year cohorts reflect updated activity since the last time we built the file. Since the process is so time consuming, we update the research file only annually (usually beginning in July); research file data are not yet available for claims filed in 2013.

*Methods used for estimating results (through January 2014) for claims filed in 2013*—Although decision counts are available for 2013 filers from many of the source files, those counts do not translate directly

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<sup>1</sup> SSA first implemented the Disability Service Improvement (DSI) process in the Boston Region in August 2006 (for the SSI and Social Security Disability Insurance programs). The DSI process eliminated reconsideration as the first level of appeal of an initial disability determination and introduced review by the Office of the Federal Reviewing Official (OFedRO) in its place. By final rule published in the Federal Register (73 FR 2411), SSA suspended new claims to the OFedRO level; this change was effective March 23, 2008 (73 FR 10381). For those initial disability appeals that had not been transferred to OFedRO on or before the effective date, the procedure for the first level of appeal reverted to that which was in place prior to August 2006, (i.e., reconsideration). The DSI regulations also modified administrative appeal of an ALJ’s decision or dismissal by: (1) setting requirements on the timeliness for submission of evidence for consideration by the ALJ; and (2) eliminating the Appeals Council as a separate appeals step. By final rule (76 FR 24802), we restored the Appeals Council appeal step, although the other modifications concerning which evidence can be considered remain in effect in the Boston Region.

into the claims/appeals counts in the following tables because we consolidate multiple transactions and apply claims-based tolerance rules when we build the research file.

To prepare preliminary estimates of results through January 2014 for 2013 filers, we started from the latest available transaction data, such as the SSA-831 data, and took into account recent years' experience of the relationship between corresponding earlier transaction data and the resulting claims/appeals data in completed research files. We estimate ODAR appeals activity from a file that tracks individual claimants, rather than individual claims, which has resulted in a slight undercount of ODAR individual claims. Recent revocation of the agency's subsequent application (i.e., an application filed while an earlier claim is pending at a review level) policy should largely eliminate the disparity between the number of claims and claimants.

While we believe that these methods are reasonable, we emphasize that the resulting estimates may not be completely reliable, especially because the estimates give results only through January 2014, whereas the final research files will reflect information through June 2014. Actual data for 2013 will replace these estimates in the 2015 Annual Report.

## **2. General Considerations**

Some general points that apply to tables V.C1 and V.C2 are as follows:

- Data for 1988-2012 filers are as of June 2013 for decisions at the DDS level. Results for those years' filers include results at the hearing and Appeals Council levels and Federal courts through July 2013.
- Data for 2013 filers are preliminary estimates as of January 2014, and reflect larger numbers of claims still pending. January 2014 data on number of appeals may be too low because larger numbers of claimants are still within the period allowed for filing an appeal (i.e., larger numbers of recently denied claimants who have not yet filed an appeal may appeal before the time limit runs out).
- Remaining appeals will affect the results. Since we usually decide allowances more quickly than denials, we expect that the percent allowed will ultimately be lower when the processing of all cases is complete.
- In certain pilot activities and under the revised process introduced October 1, 1999 in 10 States, individuals can appeal initial denials directly to ODAR without a separate reconsideration step. As a result, the appeals of initial denials in these tables include cases that will not receive a decision at the reconsideration level.
- The tables do not show the cases appealed to the Office of the Federal Reviewing Official level under the DSI process separately, but we included these cases in the reconsideration counts.
- In reports issued in 2010 and earlier, we counted allowances at the highest adjudicative level a filer reached. Beginning with data in the 2011 Annual Report for claims filed after 1999, we now count allowances at the earliest adjudicative level of allowance. For claims filed prior to 2000, we continue to count allowances at the highest adjudicative level reached.

**Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing<sup>a</sup> and Level of Decision<sup>b</sup>**

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials		Appeals of initial denials	
			Number	Percent <sup>c</sup>	Number	Percent <sup>c</sup>	Number <sup>d</sup>	Percent <sup>e</sup>
1988	946,603	—	272,204	28.8	674,399	71.2	265,151	39.3
1989	969,218	—	292,044	30.1	677,174	69.9	274,823	40.6
1990	1,099,805	—	347,823	31.6	751,982	68.4	320,207	42.6
1991	1,288,331	—	415,336	32.2	872,995	67.8	383,669	43.9
1992	1,415,624	—	436,888	30.9	978,736	69.1	433,244	44.3
1993	1,503,278	—	416,300	27.7	1,086,978	72.3	485,166	44.6
1994	1,436,958	—	353,995	24.6	1,082,963	75.4	482,533	44.6
1995	1,318,416	—	323,084	24.5	995,332	75.5	439,166	44.1
1996	1,247,926	—	305,351	24.5	942,575	75.5	406,425	43.1
1997	1,110,898	—	292,839	26.4	818,059	73.6	357,973	43.8
1998	1,108,957	—	322,734	29.1	786,223	70.9	339,288	43.2
1999	1,105,109	—	326,734	29.6	778,375	70.4	340,114	43.7
2000	1,139,623	—	347,024	30.5	792,599	69.5	338,664	42.7
2001	1,216,040	—	368,981	30.3	847,059	69.7	360,793	42.6
2002	1,322,451	—	374,373	28.3	948,078	71.7	405,333	42.8
2003	1,403,003	—	382,013	27.2	1,020,990	72.8	431,556	42.3
2004	1,475,149	—	387,857	26.3	1,087,292	73.7	434,305	39.9
2005	1,470,300	—	373,582	25.4	1,096,718	74.6	420,489	38.3
2006	1,499,551	—	367,973	24.5	1,131,578	75.5	428,268	37.8
2007	1,506,654	—	376,632	25.0	1,130,022	75.0	436,633	38.6
2008	1,602,444	—	418,258	26.1	1,184,186	73.9	487,369	41.2
2009	1,831,721	—	465,276	25.4	1,366,445	74.6	572,241	41.9
2010	1,881,418	—	450,337	23.9	1,431,081	76.1	612,080	42.8
2011	1,843,234	—	423,563	23.0	1,419,671	77.0	627,510	44.2
2012	1,795,017	23,713	403,987	22.8	1,367,317	77.2	598,060	43.7
2013	1,634,201	296,547	363,709	27.2	973,945	72.8	362,068	37.2

Calendar year of filing	Reconsiderations <sup>f</sup>						Appeals beyond reconsideration <sup>g</sup>			
	Pending	Allowances		Denials	Appeals of reconsideration denials		Pending <sup>i</sup>	Allowances		Denials <sup>k</sup>
		Number	Percent <sup>c</sup>		Number <sup>h</sup>	Percent <sup>e</sup>		Number	Percent <sup>j</sup>	
1988	—	38,385	14.5	226,766	140,663	62.0	—	82,414	58.6	58,249
1989	—	43,505	15.8	231,318	146,082	63.2	—	90,169	61.7	55,913
1990	—	52,055	16.3	268,152	175,520	65.5	—	109,098	62.2	66,422
1991	—	59,157	15.4	324,512	221,816	68.4	—	139,698	63.0	82,118
1992	—	58,819	13.6	374,425	260,554	69.6	—	159,084	61.1	101,470
1993	—	57,938	11.9	427,228	294,801	69.0	—	170,402	57.8	124,399
1994	—	55,822	11.6	426,711	293,448	68.8	—	164,537	56.1	128,911
1995	—	51,697	11.8	387,469	264,270	68.2	—	143,582	54.3	120,688
1996	—	49,263	12.1	357,162	242,407	67.9	—	133,323	55.0	109,084
1997	—	47,573	13.4	306,561	213,969	69.8	—	121,619	55.8	96,189
1998	—	46,507	13.7	292,272	203,767	69.7	—	115,323	56.5	88,953
1999	—	40,375	12.5	283,475	199,371	70.3	—	117,431	54.5	98,204
2000	—	37,768	13.4	243,790	173,465	71.2	—	122,829	53.3	107,742
2001	—	37,388	13.2	246,613	174,286	70.7	—	133,018	53.0	118,060
2002	—	38,617	12.2	277,567	195,633	70.5	—	150,228	52.8	134,554
2003	—	39,086	11.5	300,283	210,263	70.0	43	159,464	52.7	142,943
2004	—	37,197	10.9	302,649	211,696	69.9	145	163,794	53.5	142,216
2005	—	34,753	10.6	293,829	205,932	70.1	331	163,172	54.8	134,336
2006	—	34,145	10.3	298,918	210,685	70.5	712	169,728	55.6	135,450
2007	—	35,893	10.6	304,060	215,543	70.9	2,381	170,298	55.0	139,544
2008	—	40,868	10.7	341,794	245,570	71.8	5,798	185,196	53.8	159,283
2009	—	43,507	9.7	406,284	295,671	72.8	14,129	200,533	49.6	203,459
2010	—	41,231	8.5	441,260	328,970	74.6	52,928	192,199	47.4	213,432
2011	—	41,623	8.4	452,384	339,484	75.0	168,613	142,879	46.9	161,495
2012	68,599	30,902	7.7	369,015	262,884	71.2	335,499	24,183	42.5	32,746
2013	88,759	17,110	9.0	172,272	105,158	61.0	185,149	1,650	41.9	2,286

Historical Allowance Data

**Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing<sup>a</sup> and Level of Decision<sup>b</sup> (Cont.)**

Selected summary case information by decision status: <i>Numbers of cases</i>						
Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Allowances	Denials	
					Appeal decision pending	No appeal pending
1988	946,603	—	946,603	393,003	—	553,600
1989	969,218	—	969,218	425,718	—	543,500
1990	1,099,805	—	1,099,805	508,976	—	590,829
1991	1,288,331	—	1,288,331	614,191	—	674,140
1992	1,415,624	—	1,415,624	654,791	—	760,833
1993	1,503,278	—	1,503,278	644,640	—	858,638
1994	1,436,958	—	1,436,958	574,354	—	862,604
1995	1,318,416	—	1,318,416	518,363	—	800,053
1996	1,247,926	—	1,247,926	487,937	—	759,989
1997	1,110,898	—	1,110,898	462,031	—	648,867
1998	1,108,957	—	1,108,957	484,564	—	624,393
1999	1,105,109	—	1,105,109	484,540	—	620,569
2000	1,139,623	—	1,139,623	507,621	—	632,002
2001	1,216,040	—	1,216,040	539,387	—	676,653
2002	1,322,451	—	1,322,451	563,218	—	759,233
2003	1,403,003	—	1,403,003	580,563	43	822,397
2004	1,475,149	—	1,475,149	588,848	145	886,156
2005	1,470,300	—	1,470,300	571,507	331	898,462
2006	1,499,551	—	1,499,551	571,846	712	926,993
2007	1,506,654	—	1,506,654	582,823	2,381	921,450
2008	1,602,444	—	1,602,444	644,322	5,798	952,324
2009	1,831,721	—	1,831,721	709,316	14,129	1,108,276
2010	1,881,418	—	1,881,418	683,767	52,928	1,144,723
2011	1,843,234	—	1,843,234	608,065	168,613	1,066,556
2012	1,795,017	23,713	1,771,304	459,072	404,098	908,134
2013	1,634,201	296,547	1,337,654	382,469	273,908	681,277

**Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing<sup>a</sup> and Level of Decision<sup>b</sup> (Cont.)**

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1988	—	41.5	—	58.5	41.5	—	58.5
1989	—	43.9	—	56.1	43.9	—	56.1
1990	—	46.3	—	53.7	46.3	—	53.7
1991	—	47.7	—	52.3	47.7	—	52.3
1992	—	46.3	—	53.7	46.3	—	53.7
1993	—	42.9	—	57.1	42.9	—	57.1
1994	—	40.0	—	60.0	40.0	—	60.0
1995	—	39.3	—	60.7	39.3	—	60.7
1996	—	39.1	—	60.9	39.1	—	60.9
1997	—	41.6	—	58.4	41.6	—	58.4
1998	—	43.7	—	56.3	43.7	—	56.3
1999	—	43.8	—	56.2	43.8	—	56.2
2000	—	44.5	—	55.5	44.5	—	55.5
2001	—	44.4	—	55.6	44.4	—	55.6
2002	—	42.6	—	57.4	42.6	—	57.4
2003	—	41.4	—	58.6	41.4	—	58.6
2004	—	39.9	1	60.1	39.9	1	60.1
2005	—	38.9	1	61.1	38.9	1	61.1
2006	—	38.1	1	61.8	38.1	1	61.8
2007	—	38.7	0.2	61.2	38.7	0.2	61.2
2008	—	40.2	.4	59.4	40.2	.4	59.4
2009	—	38.7	.8	60.5	38.7	.8	60.5
2010	—	36.3	2.8	60.8	36.3	2.8	60.8
2011	—	33.0	9.1	57.9	33.0	9.1	57.9
2012	1.3	25.6	22.5	50.6	25.9	22.8	51.3
2013	18.1	23.4	16.8	41.7	28.6	20.5	50.9

<sup>a</sup> Data for claims filed in 1988-2012 reflect results as of June 2013 at the DDS level and as of July 2013 at the ODAR level. The numbers of total claims filed for 2010-2012 are subject to change. Data for claims filed in 2013 are preliminary estimates as of January 2014. The ultimate numbers of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

<sup>b</sup> For claims filed in 2000 or later, we count allowances at the earliest adjudicative level of allowance. We count allowances for claims filed prior to 2000 at the highest adjudicative level reached.

<sup>c</sup> Percentage of decisions at this level

<sup>d</sup> Includes certain cases that can be appealed directly to the hearing level.

<sup>e</sup> Percentage of denials at this level appealed to next level.

<sup>f</sup> Includes cases reviewed by the Office of the Federal Reviewing Official (OFedRO) during the period August 2006 through November 2008 as part of the DSI process.

<sup>g</sup> Includes cases appealed to the hearing and Appeals Council levels and cases appealed to the to the Federal courts.

<sup>h</sup> Number of persons appealing beyond the reconsideration level.

<sup>i</sup> Includes cases remanded to SSA from the Federal courts.

<sup>j</sup> Percentage of decisions at this level. For years in which decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

<sup>k</sup> Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

<sup>l</sup> Less than 0.05 percent.

**Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing<sup>a</sup> and Level of Decision<sup>b</sup>**

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials		Appeals of initial denials	
			Number	Percent <sup>c</sup>	Number	Percent <sup>c</sup>	Number <sup>d</sup>	Percent <sup>e</sup>
1991	250,962	—	148,220	59.1	102,742	40.9	24,702	24.0
1992	372,971	—	189,079	50.7	183,892	49.3	49,297	26.8
1993	496,131	—	212,268	42.8	283,863	57.2	75,967	26.8
1994	525,013	—	172,219	32.8	352,794	67.2	92,093	26.1
1995	487,730	—	144,231	29.6	343,499	70.4	86,841	25.3
1996	453,473	—	127,416	28.1	326,057	71.9	75,013	23.0
1997	332,032	—	106,528	32.1	225,504	67.9	51,493	22.8
1998	335,732	—	123,249	36.7	212,483	63.3	50,110	23.6
1999	342,162	—	129,375	37.8	212,787	62.2	49,996	23.5
2000	349,285	—	138,262	39.6	211,023	60.4	48,156	22.8
2001	367,726	—	152,651	41.5	215,075	58.5	49,013	22.8
2002	402,116	—	165,220	41.1	236,896	58.9	55,863	23.6
2003	425,336	—	172,655	40.6	252,681	59.4	59,701	23.6
2004	435,562	—	174,514	40.1	261,048	59.9	58,539	22.4
2005	424,876	—	163,705	38.5	261,171	61.5	55,367	21.2
2006	432,747	—	160,959	37.2	271,788	62.8	58,617	21.6
2007	433,941	—	160,261	36.9	273,680	63.1	60,040	21.9
2008	449,451	—	171,593	38.2	277,858	61.8	66,097	23.8
2009	516,130	—	193,872	37.6	322,258	62.4	79,982	24.8
2010	517,642	—	186,513	36.0	331,129	64.0	82,492	24.9
2011	505,956	—	179,899	35.6	326,057	64.4	82,860	25.4
2012	491,838	4,671	174,025	35.7	313,142	64.3	77,815	24.8
2013	442,458	69,632	154,350	41.4	218,476	58.6	44,060	20.2

Calendar year of filing	Reconsiderations <sup>f</sup>						Appeals beyond reconsideration <sup>g</sup>			
	Pending	Allowances		Denials	Appeals of reconsideration denials		Pending <sup>i</sup>	Allowances		Denials <sup>k</sup>
		Number	Percent <sup>c</sup>		Number <sup>h</sup>	Percent <sup>e</sup>		Number	Percent <sup>j</sup>	
1991	—	5,605	22.7	19,097	9,196	48.2	—	3,884	42.2	5,312
1992	—	9,463	19.2	39,834	19,770	49.6	—	7,523	38.1	12,247
1993	—	11,338	14.9	64,629	31,193	48.3	—	10,638	34.1	20,555
1994	—	11,332	12.3	80,761	38,433	47.6	—	12,954	33.7	25,479
1995	—	10,287	11.8	76,554	35,592	46.5	—	10,924	30.7	24,668
1996	—	9,355	12.5	65,658	27,920	42.5	—	8,853	31.7	19,067
1997	—	8,266	16.2	42,705	18,916	44.3	—	7,027	36.2	12,411
1998	—	7,799	15.6	42,237	18,762	44.4	—	7,034	37.3	11,802
1999	—	6,475	13.8	40,423	18,164	44.9	—	7,558	35.5	13,704
2000	—	6,043	16.0	31,741	14,366	45.3	—	8,451	34.2	16,287
2001	—	5,839	16.1	30,318	13,448	44.4	—	8,825	33.6	17,479
2002	—	6,360	15.4	34,842	15,216	43.7	—	9,909	33.2	19,968
2003	—	6,644	14.8	38,275	16,208	42.3	1	10,237	33.0	20,752
2004	—	6,209	14.1	37,948	15,764	41.5	11	10,021	33.3	20,114
2005	—	6,020	14.2	36,306	15,196	41.9	14	9,578	33.9	18,645
2006	—	6,158	13.6	39,049	16,444	42.1	38	10,817	36.3	18,999
2007	—	6,016	12.9	40,557	17,172	42.3	112	11,130	36.5	19,397
2008	—	6,888	13.2	45,196	19,705	43.6	291	11,726	35.1	21,701
2009	—	7,704	12.3	54,757	24,571	44.9	848	12,785	31.0	28,459
2010	—	7,548	11.6	57,616	26,196	45.5	4,405	11,501	29.4	27,618
2011	—	7,480	11.3	58,596	27,249	46.5	15,995	8,250	29.4	19,788
2012	6,954	5,735	10.5	49,036	20,980	42.8	31,995	1,129	22.2	3,946
2013	9,341	2,780	11.1	22,305	7,967	35.7	17,203	71	17.8	327



**Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing<sup>a</sup> and Level of Decision<sup>b</sup> (Cont.)**

Selected summary case information by decision status: <i>Numbers of cases</i>						
Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Allowances	Denials	
					Appeal decision pending	No appeal pending
1991	250,962	—	250,962	157,709	—	93,253
1992	372,971	—	372,971	206,065	—	166,906
1993	496,131	—	496,131	234,244	—	261,887
1994	525,013	—	525,013	196,505	—	328,508
1995	487,730	—	487,730	165,442	—	322,288
1996	453,473	—	453,473	145,624	—	307,849
1997	332,032	—	332,032	121,821	—	210,211
1998	335,732	—	335,732	138,082	—	197,650
1999	342,162	—	342,162	143,408	—	198,754
2000	349,285	—	349,285	152,756	—	196,529
2001	367,726	—	367,726	167,315	—	200,411
2002	402,116	—	402,116	181,489	—	220,627
2003	425,336	—	425,336	189,536	1	235,799
2004	435,562	—	435,562	190,744	11	244,807
2005	424,876	—	424,876	179,303	14	245,559
2006	432,747	—	432,747	177,934	38	254,775
2007	433,941	—	433,941	177,407	112	256,422
2008	449,451	—	449,451	190,207	291	258,953
2009	516,130	—	516,130	214,361	848	300,921
2010	517,642	—	517,642	205,562	4,405	307,675
2011	505,956	—	505,956	195,629	15,995	294,332
2012	491,838	4,671	487,167	180,889	38,949	267,329
2013	442,458	69,632	372,826	157,201	26,544	189,081

Historical Allowance Data

**Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing<sup>a</sup> and Level of Decision<sup>b</sup> (Cont.)**

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1991	—	62.8	—	37.2	62.8	—	37.2
1992	—	55.2	—	44.8	55.2	—	44.8
1993	—	47.2	—	52.8	47.2	—	52.8
1994	—	37.4	—	62.6	37.4	—	62.6
1995	—	33.9	—	66.1	33.9	—	66.1
1996	—	32.1	—	67.9	32.1	—	67.9
1997	—	36.7	—	63.3	36.7	—	63.3
1998	—	41.1	—	58.9	41.1	—	58.9
1999	—	41.9	—	58.1	41.9	—	58.1
2000	—	43.7	—	56.3	43.7	—	56.3
2001	—	45.5	—	54.5	45.5	—	54.5
2002	—	45.1	—	54.9	45.1	—	54.9
2003	—	44.6	—	55.4	44.6	—	55.4
2004	—	43.8	—	56.2	43.8	—	56.2
2005	—	42.2	—	57.8	42.2	—	57.8
2006	—	41.1	1	58.9	41.1	1	58.9
2007	—	40.9	1	59.1	40.9	1	59.1
2008	—	42.3	0.1	57.6	42.3	0.1	57.6
2009	—	41.5	.2	58.3	41.5	.2	58.3
2010	—	39.7	.9	59.4	39.7	.9	59.4
2011	—	38.7	3.2	58.2	38.7	3.2	58.2
2012	1.0	36.8	7.9	54.4	37.1	8.0	54.9
2013	15.7	35.5	6.0	42.7	42.2	7.1	50.7

<sup>a</sup> Data for claims filed in 1988-2012 reflect results as of June 2013 at the DDS level and as of July 2013 at the ODAR level. The numbers of total claims filed for 2010-2012 are subject to change. Data for claims filed in 2013 are preliminary estimates as of January 2014. The ultimate numbers of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

<sup>b</sup> For claims filed in 2000 or later, we count allowances at the earliest adjudicative level of allowance. We count allowances for claims filed prior to 2000 at the highest adjudicative level reached.

<sup>c</sup> Percentage of decisions at this level

<sup>d</sup> Includes certain cases that can be appealed directly to the hearing level.

<sup>e</sup> Percentage of denials at this level appealed to next level.

<sup>f</sup> Includes cases reviewed by the Office of the Federal Reviewing Official (OFedRO) during the period August 2006 through November 2008 as part of the DSI process.

<sup>g</sup> Includes cases appealed to the hearing and Appeals Council levels and cases appealed to the Federal courts.

<sup>h</sup> Number of persons appealing beyond the reconsideration level.

<sup>i</sup> Includes cases remanded to SSA from the Federal courts.

<sup>j</sup> Percentage of decisions at this level. For years in which decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

<sup>k</sup> Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

<sup>l</sup> Less than 0.05 percent.

**D. HISTORICAL REDETERMINATION AND CONTINUING DISABILITY REVIEW DATA****1. Redeterminations**

Redeterminations are reviews of all of the nonmedical factors of eligibility to determine whether a recipient is still eligible for Supplemental Security Income (SSI) and still receiving the correct payment amount. There are two types of redeterminations: scheduled and unscheduled. All recipients are subject to periodic scheduling for a redetermination. Every year the Social Security Administration (SSA) schedules redeterminations for the cases most likely to have payment error, but the agency can also schedule reviews for cases unlikely to have payment error. SSA completes unscheduled redeterminations on an as-needed basis when recipients report, or we discover, certain changes in circumstances that could affect the continuing SSI payment amount. The numbers of redeterminations completed fluctuate from year to year due to variation in: (1) the numbers of unscheduled redeterminations completed; and (2) the numbers of scheduled redeterminations that we are able to complete during the fiscal year because of limitations on administrative resources and the impact of other workload requirements on the field offices. Redeterminations that we cannot complete in the scheduled fiscal year carry over into the next fiscal year.

Between scheduled redeterminations, SSA uses the limited issue process to detect situations that have the potential to affect the continuing eligibility of SSI recipients and SSI payment amounts. SSA conducts periodic computer matches between its own systems and the systems of other Federal and State agencies to determine if the income and resources information on SSI recipients' records conflicts with data that we obtain from the other systems. We post an indicator to the individual's Supplemental Security Record when a match detects conflicting information. We select these limited issue cases for field office review of the issues for which we posted indicators. Beginning in fiscal year 2007, redetermination completions reported in SSA's Performance and Accountability Report<sup>1</sup> included limited issue completions.

Table V.D1 provides historical data on numbers of redeterminations and limited issues by fiscal year.

**Table V.D1.—SSI Redeterminations<sup>a</sup> and Limited Issues Completed, Fiscal Years 1986-2013**

Fiscal year	Numbers of completions		
	Redeterminations	Limited issues	Total
1986	2,278	b	b
1987	2,244	b	b
1988	1,997	b	b
1989	2,226	b	b
1990	2,103	b	b
1991	2,138	b	b
1992	2,321	b	b
1993	2,223	b	b
1994	<sup>c</sup> 1,900	b	b
1995	<sup>d</sup> 1,597	b	b
1996	1,763	b	b
1997	1,773	b	b
1998	1,853	b	b
1999	2,122	751	2,873
2000	2,182	582	2,764
2001	2,316	589	2,905
2002	2,311	582	2,894
2003	2,450	472	2,921
2004	2,279	248	2,527
2005	<sup>e</sup> 1,725	737	2,462
2006	<sup>e</sup> 1,071	348	1,418
2007	<sup>e</sup> 692	346	1,039
2008	<sup>e</sup> 900	321	1,221

<sup>1</sup> Publication No. 31-231 is available at [www.socialsecurity.gov/finance/index.html](http://www.socialsecurity.gov/finance/index.html).

**Table V.D1.—SSI Redeterminations<sup>a</sup> and Limited Issues Completed, Fiscal Years 1986-2013 (Cont.)**

Fiscal year	Numbers of completions		Total
	Redeterminations	Limited issues	
2009	<sup>e</sup> 1,390	341	1,731
2010	2,248	218	2,466
2011	<sup>f</sup> 2,223	<sup>f</sup> 234	<sup>f</sup> 2,457
2012	2,408	216	2,624
2013	2,437	197	2,634

<sup>a</sup> Effective fiscal year 2007, total redeterminations reported by SSA include limited issues.

<sup>b</sup> Data not available.

<sup>c</sup> Decrease in number of redeterminations completed in fiscal year 1994 due to low-error profile redeterminations not being completed from January through September 1994.

<sup>d</sup> Effective fiscal year 1995, we selected approximately 200,000 fewer redeterminations annually due to a change from a 3-year to a 6-year redetermination cycle for low-error profile cases.

<sup>e</sup> We selected fewer redeterminations in fiscal years 2005-09 due to limitations on administrative funding.

<sup>f</sup> Includes redeterminations completed during the 53 operating weeks in fiscal year 2011.

## 2. Continuing Disability Reviews

Following enactment of the Social Security Disability Amendments of 1980, section 221(i) of the Social Security Act generally requires SSA to review the continuing eligibility of Old-Age, Survivors, and Disability Insurance (OASDI) disabled beneficiaries at least every 3 years. No legislation required the same review process for disabled SSI recipients at that time. Although the Committee on Finance of the Senate stated in its report on this legislation that the same continuing disability review (CDR) procedures should apply to both the OASDI and SSI programs, no new legislation amended title XVI to accomplish this. Section 1614(a)(4) of the Act gives SSA discretionary authority to conduct periodic CDRs on SSI recipients. On September 28, 1994, SSA issued a Federal Register notice that periodic SSI CDRs would begin on October 1, 1994. In 1994 and again in 1996 Congress enacted new legislation adding some mandates for CDRs under the SSI program.

Public Law 103-296 required SSA to conduct CDRs on a minimum of 100,000 SSI recipients during each of fiscal years 1996, 1997, and 1998. In addition, during the same period, the law required SSA to redetermine the eligibility of at least one-third of all SSI child recipients who reached age 18 after April 1995 within 1 year of attainment of age 18. Such redeterminations for persons turning age 18 could count toward the 100,000 CDRs required by the law.

Public Law 104-193 required SSA to redetermine the eligibility of all SSI child recipients who attain age 18 based on the adult initial eligibility criteria. This law also required that SSA perform a CDR:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment that is likely to improve; and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Public Law 105-33 provided SSA some additional flexibility in the scheduling of these categories of CDRs.

Beginning in 1993, SSA developed a screening process for OASDI cases scheduled for a CDR in order to handle the large CDR workload mandated by these various provisions. The screening process included a mailer questionnaire for selected cases. In 1996, SSA extended the profiling process to SSI adults who were scheduled for a CDR. In fiscal year 2013, we deferred full medical reviews for 403,606 adult SSI recipients scheduled for a CDR as a result of the screening process.

In 2007, SSA implemented a streamlined failure to cooperate (FTC) process for medical CDRs. Under this process, recipients who fail to comply with the field office requests for information necessary for processing their medical CDRs have their benefits suspended. After 12 consecutive months of suspension for non-compliance, SSA terminates their eligibility for disability benefits. SSA initially terminated

1,477 centrally initiated medical CDRs involving SSI recipients in fiscal year 2013 as a result of the streamlined FTC process. A more detailed discussion of CDRs can be found in the Annual Report of Continuing Disability Reviews.<sup>1</sup>

For individuals who receive both OASDI and SSI benefits on the basis of their own disability, SSA initiates CDRs as title II CDRs, and the results of the review affect eligibility for benefits under both programs.<sup>2</sup> Table V.D2 presents the numbers of centrally initiated periodic medical CDRs of SSI recipients we performed under titles II and XVI since 1993. Tables V.D3 and V.D4 present the latest available detailed results<sup>3</sup> on CDRs of SSI recipients performed in the most recent 15 years.<sup>4</sup> These tables include only cases for which we conducted a full medical review. In particular, they do not include:

- Cases for which the individual completed a mailer but for which we deferred a full medical review;
- Administrative closures—cases for which we curtail development for technical reasons;
- Streamlined FTC terminations;
- CDRs initiated as the result of work activity on the part of the beneficiary/recipient; and
- Miscellaneous other CDRs processed by the State disability determination services (DDS) but not as part of the normal CDR scheduling process (e.g., voluntary and third-party reports of medical improvement, post-transplant end-stage renal disease cases, and rehabilitation reports).

In contrast with the allowance data presented in section V.C, we tabulate the CDR data on a cohort basis by the date of initial CDR decision.

**Table V.D2.—SSI Continuing Disability Full Medical Reviews by Year of Initial Decision, Fiscal Years 1993-2013**  
[In thousands]

Fiscal year of initial DDS decision	Disabled adults			Disabled children				
	Reviews of concurrent title II/XVI cases initiated under title II	Title XVI initiated reviews	Total SSI adult reviews	Reviews of low-birth-weight children	Redeterminations at age 18	All other reviews of SSI disabled children	Total SSI children reviews	Total full medical reviews
1993	1	—	1	—	—	—	—	1
1994	11	—	11	1	—	—	1	12
1995	17	4	21	4	<sup>a</sup>	4	8	29
1996	27	55	82	6	13	1	19	101
1997	51	70	121	7	49	<sup>a</sup>	56	177
1998	81	75	156	18	41	91	150	306
1999	81	140	221	10	50	183	243	464
2000	106	173	279	10	52	141	203	482
2001	110	144	254	9	49	96	154	408
2002	104	173	276	13	55	164	231	508
2003	72	213	285	7	54	127	189	474
2004	85	221	306	12	53	103	169	474
2005	81	110	191	14	55	61	130	321
2006	72	41	112	8	41	19	68	181
2007	26	18	45	3	71	4	79	124
2008	40	19	59	5	69	5	79	138
2009	42	29	71	13	101	11	124	195
2010	40	35	74	22	87	17	126	201
2011	38	33	71	19	93	25	138	209
2012	51	46	97	16	82	65	163	260
2013	52	35	87	19	92	53	164	251

<sup>a</sup> Fewer than 500.

<sup>1</sup> The most recent such report can be found at [www.socialsecurity.gov/legislation/FY%202011%20CDR%20Report.pdf](http://www.socialsecurity.gov/legislation/FY%202011%20CDR%20Report.pdf).

<sup>2</sup> Individuals concurrently receiving OASDI and SSI benefits where the OASDI benefit is not based on the individual's disability are initiated as title XVI CDRs. The results of the review only affect the individual's eligibility for SSI benefits.

<sup>3</sup> We included in these tables the SSI recipients whose benefits terminate as a result of CDRs. We report estimates of Federal SSI program savings resulting from the cessation of benefits to Congress in the Annual Report of Continuing Disability Reviews. The most recent such report, issued September 20, 2013, presented estimates of the effects of CDRs conducted in fiscal year 2011.

<sup>4</sup> For years prior to 1999, see the most recent Annual Report of Continuing Disability Reviews for the summary of results for all years since 1993.

Historical Redetermination and CDR Data

**Table V.D3.—SSI Disabled Adult Reviews: Disposition<sup>a</sup> of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 1999-2013**

Fiscal year of initial DDS decision <sup>b</sup>	Initial decisions						
	Total initial DDS decisions	Continuations		Cessations		Appeals to reconsideration	
		Number	Percent <sup>c</sup>	Number	Percent <sup>c</sup>	Number	Percent <sup>d</sup>
Reviews of concurrent title II/XVI cases initiated under title II							
1999	80,816	70,353	87.1	10,463	12.9	6,201	59.3
2000	105,787	93,962	88.8	11,825	11.2	6,851	57.9
2001	110,341	99,666	90.3	10,675	9.7	6,291	58.9
2002	103,947	92,069	88.6	11,878	11.4	7,087	59.7
2003	72,175	63,021	87.3	9,154	12.7	5,443	59.5
2004	84,622	75,047	88.7	9,575	11.3	5,891	61.5
2005	80,597	70,687	87.7	9,910	12.3	5,927	59.8
2006	71,825	63,789	88.8	8,036	11.2	4,776	59.4
2007	26,469	22,893	86.5	3,576	13.5	2,155	60.3
2008	40,045	35,891	89.6	4,154	10.4	2,659	64.0
2009	41,609	38,238	91.9	3,371	8.1	2,212	65.6
2010	39,908	35,879	89.9	4,029	10.1	2,651	65.8
2011	37,799	33,194	87.8	4,605	12.2	2,983	64.8
2012	50,715	43,409	85.6	7,306	14.4	5,082	69.6
2013	51,844	44,924	86.7	6,920	13.3	4,910	71.0
Title XVI initiated reviews							
1999	140,429	125,079	89.1	15,350	10.9	10,292	67.0
2000	173,470	156,065	90.0	17,405	10.0	10,923	62.8
2001	143,902	126,610	88.0	17,292	12.0	10,262	59.3
2002	172,527	150,837	87.4	21,690	12.6	13,314	61.4
2003	213,212	191,061	89.6	22,151	10.4	14,665	66.2
2004	221,129	199,938	90.4	21,191	9.6	14,627	69.0
2005	110,072	97,330	88.4	12,742	11.6	8,125	63.8
2006	40,605	35,957	88.6	4,648	11.4	2,853	61.4
2007	18,172	16,006	88.1	2,166	11.9	1,426	65.8
2008	18,933	17,049	90.0	1,884	10.0	1,267	67.3
2009	29,137	27,233	93.5	1,904	6.5	1,376	72.3
2010	34,575	31,766	91.9	2,809	8.1	1,998	71.1
2011	33,460	30,291	90.5	3,169	9.5	2,227	70.3
2012	46,439	39,954	86.0	6,485	14.0	4,592	70.8
2013	34,941	30,850	88.3	4,091	11.7	2,928	71.6
Total reviews, SSI disabled adults							
1999	221,245	195,432	88.3	25,813	11.7	16,493	63.9
2000	279,257	250,027	89.5	29,230	10.5	17,774	60.8
2001	254,243	226,276	89.0	27,967	11.0	16,553	59.2
2002	276,474	242,906	87.9	33,568	12.1	20,401	60.8
2003	285,387	254,082	89.0	31,305	11.0	20,108	64.2
2004	305,751	274,985	89.9	30,766	10.1	20,518	66.7
2005	190,669	168,017	88.1	22,652	11.9	14,052	62.0
2006	112,430	99,746	88.7	12,684	11.3	7,629	60.1
2007	44,641	38,899	87.1	5,742	12.9	3,581	62.4
2008	58,978	52,940	89.8	6,038	10.2	3,926	65.0
2009	70,746	65,471	92.5	5,275	7.5	3,588	68.0
2010	74,483	67,645	90.8	6,838	9.2	4,649	68.0
2011	71,259	63,485	89.1	7,774	10.9	5,210	67.0
2012	97,154	83,363	85.8	13,791	14.2	9,674	70.1
2013	86,785	75,774	87.3	11,011	12.7	7,838	71.2

**Table V.D3.—SSI Disabled Adult Reviews: Disposition<sup>a</sup> of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 1999-2013 (Cont.)**

Fiscal year of initial DDS decision <sup>b</sup>	Reconsiderations						Appeals beyond reconsideration <sup>e</sup>			
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending	Continuations		Cessations
		Number	Percent <sup>c</sup>		Number <sup>f</sup>	Percent <sup>d</sup>		Number	Percent	
Reviews of concurrent title II/XVI cases initiated under title II										
1999	—	3,974	64.1	2,227	1,542	69.2	—	679	44.0	863
2000	—	4,427	64.6	2,424	1,556	64.2	—	659	42.4	897
2001	—	4,177	66.4	2,114	1,240	58.7	—	496	40.0	744
2002	—	4,787	67.5	2,300	1,451	63.1	—	594	40.9	857
2003	—	3,575	65.7	1,868	1,179	63.1	—	482	40.9	697
2004	—	3,779	64.1	2,112	1,413	66.9	—	594	42.0	819
2005	—	3,827	64.6	2,100	1,492	71.0	—	653	43.8	839
2006	—	3,038	63.6	1,738	1,279	73.6	—	569	44.5	710
2007	—	1,461	67.8	694	531	76.5	—	236	44.4	295
2008	—	1,789	67.3	870	679	78.0	—	288	42.4	391
2009	2	1,510	68.3	700	561	80.1	—	205	36.5	356
2010	18	1,756	66.7	877	671	76.5	1	221	33.0	449
2011	134	1,762	61.8	1,087	809	74.4	41	217	28.3	551
2012	786	2,739	63.8	1,557	1,136	73.0	456	181	26.6	499
2013	1,863	2,087	68.5	960	542	56.5	494	11	22.9	37
Title XVI initiated reviews										
1999	—	6,610	64.2	3,682	2,508	68.1	—	973	38.8	1,535
2000	—	6,823	62.5	4,100	2,778	67.8	—	1,057	38.0	1,721
2001	—	6,224	60.7	4,038	2,618	64.8	—	934	35.7	1,684
2002	—	8,160	61.3	5,154	3,323	64.5	—	1,110	33.4	2,213
2003	—	9,656	65.8	5,009	3,335	66.6	—	1,232	36.9	2,103
2004	—	9,404	64.3	5,223	3,743	71.7	—	1,455	38.9	2,288
2005	—	5,233	64.4	2,892	2,052	71.0	—	772	37.6	1,280
2006	—	1,805	63.3	1,048	746	71.2	—	284	38.1	462
2007	—	963	67.5	463	342	73.9	—	152	44.4	190
2008	—	866	68.4	401	302	75.3	—	121	40.1	181
2009	—	995	72.3	381	285	74.8	1	100	35.2	184
2010	18	1,416	71.5	564	452	80.1	1	148	32.8	303
2011	113	1,486	70.3	628	496	79.0	27	147	31.3	322
2012	656	2,576	65.4	1,360	1,022	75.1	353	191	28.6	478
2013	1,180	1,259	72.0	489	282	57.7	253	6	20.7	23
Total reviews, SSI disabled adults										
1999	—	10,584	64.2	5,909	4,050	68.5	—	1,652	40.8	2,398
2000	—	11,250	63.3	6,524	4,334	66.4	—	1,716	39.6	2,618
2001	—	10,401	62.8	6,152	3,858	62.7	—	1,430	37.1	2,428
2002	—	12,947	63.5	7,454	4,774	64.0	—	1,704	35.7	3,070
2003	—	13,231	65.8	6,877	4,514	65.6	—	1,714	38.0	2,800
2004	—	13,183	64.3	7,335	5,156	70.3	—	2,049	39.7	3,107
2005	—	9,060	64.5	4,992	3,544	71.0	—	1,425	40.2	2,119
2006	—	4,843	63.5	2,786	2,025	72.7	—	853	42.1	1,172
2007	—	2,424	67.7	1,157	873	75.5	—	388	44.4	485
2008	1	2,655	67.6	1,271	981	77.2	—	409	41.7	572
2009	2	2,505	69.9	1,081	846	78.3	1	305	36.1	540
2010	36	3,172	68.8	1,441	1,123	77.9	2	369	32.9	752
2011	247	3,248	65.4	1,715	1,305	76.1	68	364	29.4	873
2012	1,442	5,315	64.6	2,917	2,158	74.0	809	372	27.6	977
2013	3,043	3,346	69.8	1,449	824	56.9	747	17	22.1	60

**Table V.D3.—SSI Disabled Adult Reviews: Disposition<sup>a</sup> of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 1999-2013 (Cont.)**

Selected summary case information by decision status as of February 2014							
Fiscal year of initial DDS decision <sup>b</sup>	Total initial decisions	Numbers of cases			Numbers as a percentage of total initial decisions		
		Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending
Reviews of concurrent title II/XVI cases initiated under title II							
1999	80,816	75,006	—	5,810	92.8	—	7.2
2000	105,787	99,048	—	6,739	93.6	—	6.4
2001	110,341	104,339	—	6,002	94.6	—	5.4
2002	103,947	97,450	—	6,497	93.7	—	6.3
2003	72,175	67,078	—	5,097	92.9	—	7.1
2004	84,622	79,420	—	5,202	93.9	—	6.1
2005	80,597	75,167	—	5,430	93.3	—	6.7
2006	71,825	67,396	—	4,429	93.8	—	6.2
2007	26,469	24,590	—	1,879	92.9	—	7.1
2008	40,045	37,968	—	2,077	94.8	—	5.2
2009	41,609	39,953	2	1,654	96.0	<sup>g</sup>	4.0
2010	39,908	37,856	19	2,033	94.9	<sup>g</sup>	5.1
2011	37,799	35,173	175	2,451	93.1	0.5	6.5
2012	50,715	46,329	1,242	3,144	91.4	2.4	6.2
2013	51,844	47,022	2,357	2,465	90.7	4.5	4.8
Title XVI initiated reviews							
1999	140,429	132,662	—	7,767	94.5	—	5.5
2000	173,470	163,945	—	9,525	94.5	—	5.5
2001	143,902	133,768	—	10,134	93.0	—	7.0
2002	172,527	160,107	—	12,420	92.8	—	7.2
2003	213,212	201,949	—	11,263	94.7	—	5.3
2004	221,129	210,797	—	10,332	95.3	—	4.7
2005	110,072	103,335	—	6,737	93.9	—	6.1
2006	40,605	38,046	—	2,559	93.7	—	6.3
2007	18,172	17,121	—	1,051	94.2	—	5.8
2008	18,933	18,036	—	897	95.3	—	4.7
2009	29,137	28,328	1	808	97.2	<sup>g</sup>	2.8
2010	34,575	33,330	19	1,226	96.4	.1	3.5
2011	33,460	31,924	140	1,396	95.4	.4	4.2
2012	46,439	42,721	1,009	2,709	92.0	2.2	5.8
2013	34,941	32,115	1,433	1,393	91.9	4.1	4.0
Total reviews, SSI disabled adults							
1999	221,245	207,668	—	13,577	93.9	—	6.1
2000	279,257	262,993	—	16,264	94.2	—	5.8
2001	254,243	238,107	—	16,136	93.7	—	6.3
2002	276,474	257,557	—	18,917	93.2	—	6.8
2003	285,387	269,027	—	16,360	94.3	—	5.7
2004	305,751	290,217	—	15,534	94.9	—	5.1
2005	190,669	178,502	—	12,167	93.6	—	6.4
2006	112,430	105,442	—	6,988	93.8	—	6.2
2007	44,641	41,711	—	2,930	93.4	—	6.6
2008	58,978	56,004	—	2,974	95.0	—	5.0
2009	70,746	68,281	3	2,462	96.5	<sup>g</sup>	3.5
2010	74,483	71,186	38	3,259	95.6	.1	4.4
2011	71,259	67,097	315	3,847	94.2	.4	5.4
2012	97,154	89,050	2,251	5,853	91.7	2.3	6.0
2013	86,785	79,137	3,790	3,858	91.2	4.4	4.4

<sup>a</sup> Data reflect results as of February 2014. The ultimate numbers of continuations and cessations are subject to change until all appeals are final.

<sup>b</sup> For years prior to 1999, see the most recent Annual Report of Continuing Disability Reviews.

<sup>c</sup> Percentage of decisions at this level.

<sup>d</sup> Percentage of cessations at this level appealed to next level.

<sup>e</sup> We do not reflect the status and disposition of cases in the Federal courts here. However, we have included information on the status and disposition at the Office of Disability Adjudication and Review (ODAR) for cases remanded to us by the courts. The excluded experience in the Federal courts has a minimal impact on the number of continuations.

<sup>f</sup> Number of persons appealing beyond the reconsideration level.

<sup>g</sup> Less than 0.05 percent.



**Table V.D4.—SSI Disabled Child Reviews: Disposition<sup>a</sup> of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 1999-2013**

Fiscal year of initial DDS decision <sup>b</sup>	Initial decisions						
	Total initial DDS decisions	Continuations		Cessations		Appeals to reconsideration	
		Number	Percent <sup>c</sup>	Number	Percent <sup>c</sup>	Number	Percent <sup>d</sup>
<b>Reviews of low-birth-weight children</b>							
1999	9,773	4,114	42.1	5,659	57.9	1,639	29.0
2000	10,178	4,566	44.9	5,612	55.1	1,561	27.8
2001	9,086	4,152	45.7	4,934	54.3	1,403	28.4
2002	12,732	5,869	46.1	6,863	53.9	1,953	28.5
2003	7,283	3,516	48.3	3,767	51.7	1,026	27.2
2004	12,060	6,075	50.4	5,985	49.6	1,782	29.8
2005	13,710	6,540	47.7	7,170	52.3	1,995	27.8
2006	8,303	4,030	48.5	4,273	51.5	1,229	28.8
2007	3,175	1,368	43.1	1,807	56.9	510	28.2
2008	5,272	2,231	42.3	3,041	57.7	924	30.4
2009	12,511	5,741	45.9	6,770	54.1	2,098	31.0
2010	22,396	9,048	40.4	13,348	59.6	4,523	33.9
2011	19,359	7,608	39.3	11,751	60.7	3,901	33.2
2012	16,416	6,487	39.5	9,929	60.5	3,320	33.4
2013	19,299	7,672	39.8	11,627	60.2	4,133	35.5
<b>Redeterminations at age 18</b>							
1999	49,557	27,413	55.3	22,144	44.7	10,879	49.1
2000	51,713	28,863	55.8	22,850	44.2	11,021	48.2
2001	48,944	28,167	57.5	20,777	42.5	10,049	48.4
2002	54,947	32,388	58.9	22,559	41.1	11,549	51.2
2003	53,905	31,862	59.1	22,043	40.9	11,742	53.3
2004	53,232	31,890	59.9	21,342	40.1	11,585	54.3
2005	55,331	31,434	56.8	23,897	43.2	12,403	51.9
2006	40,640	21,796	53.6	18,844	46.4	9,340	49.6
2007	71,359	36,339	50.9	35,020	49.1	17,773	50.8
2008	69,430	34,547	49.8	34,883	50.2	17,652	50.6
2009	100,986	51,712	51.2	49,274	48.8	27,225	55.3
2010	87,310	41,545	47.6	45,765	52.4	25,195	55.1
2011	93,256	42,772	45.9	50,484	54.1	27,202	53.9
2012	81,568	36,585	44.9	44,983	55.1	24,192	53.8
2013	91,519	40,507	44.3	51,012	55.7	27,920	54.7
<b>All other reviews of SSI disabled children</b>							
1999	183,211	129,420	70.6	53,791	29.4	28,410	52.8
2000	140,699	106,583	75.8	34,116	24.2	17,014	49.9
2001	95,835	72,896	76.1	22,939	23.9	11,808	51.5
2002	163,768	130,434	79.6	33,334	20.4	17,888	53.7
2003	127,444	100,522	78.9	26,922	21.1	14,876	55.3
2004	103,437	80,748	78.1	22,689	21.9	12,852	56.6
2005	61,387	45,597	74.3	15,790	25.7	8,400	53.2
2006	19,384	14,428	74.4	4,956	25.6	2,591	52.3
2007	4,440	3,161	71.2	1,279	28.8	668	52.2
2008	4,707	3,473	73.8	1,234	26.2	671	54.4
2009	10,637	8,355	78.5	2,282	21.5	1,201	52.6
2010	16,677	12,501	75.0	4,176	25.0	2,185	52.3
2011	25,166	17,157	68.2	8,009	31.8	4,005	50.0
2012	64,834	41,269	63.7	23,565	36.3	13,531	57.4
2013	52,998	33,760	63.7	19,238	36.3	11,019	57.3
<b>Total reviews, SSI disabled children</b>							
1999	242,541	160,947	66.4	81,594	33.6	40,928	50.2
2000	202,590	140,012	69.1	62,578	30.9	29,596	47.3
2001	153,865	105,215	68.4	48,650	31.6	23,260	47.8
2002	231,447	168,691	72.9	62,756	27.1	31,390	50.0
2003	188,632	135,900	72.0	52,732	28.0	27,644	52.4
2004	168,729	118,713	70.4	50,016	29.6	26,219	52.4
2005	130,428	83,571	64.1	46,857	35.9	22,798	48.7
2006	68,327	40,254	58.9	28,073	41.1	13,160	46.9
2007	78,974	40,868	51.7	38,106	48.3	18,951	49.7
2008	79,409	40,251	50.7	39,158	49.3	19,247	49.2
2009	124,134	65,808	53.0	58,326	47.0	30,524	52.3
2010	126,383	63,094	49.9	63,289	50.1	31,903	50.4
2011	137,781	67,537	49.0	70,244	51.0	35,108	50.0
2012	162,818	84,341	51.8	78,477	48.2	41,043	52.3
2013	163,816	81,939	50.0	81,877	50.0	43,072	52.6

Historical Redetermination and CDR Data

**Table V.D4.—SSI Disabled Child Reviews: Disposition<sup>a</sup> of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 1999-2013 (Cont.)**

Fiscal year of initial DDS decision <sup>b</sup>	Reconsiderations						Appeals beyond reconsideration <sup>c</sup>			
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending	Continuations		Cessations
		Number	Percent <sup>e</sup>		Number <sup>f</sup>	Percent <sup>d</sup>		Number	Percent	
Reviews of low-birth-weight children										
1999	—	607	37.0	1,032	488	47.3	—	83	17.0	405
2000	—	609	39.0	952	452	47.5	—	99	21.9	353
2001	—	504	35.9	899	405	45.1	—	61	15.1	344
2002	—	698	35.7	1,255	549	43.7	—	112	20.4	437
2003	—	364	35.5	662	301	45.5	—	60	19.9	241
2004	—	643	36.1	1,139	554	48.6	—	84	15.2	470
2005	—	702	35.2	1,293	626	48.4	—	104	16.6	522
2006	—	421	34.3	808	415	51.4	—	78	18.8	337
2007	—	173	33.9	337	189	56.1	—	38	20.1	151
2008	—	264	28.6	660	361	54.7	—	64	17.7	297
2009	6	592	28.3	1,500	869	57.9	1	154	17.7	714
2010	139	1,190	27.1	3,194	1,847	57.8	15	263	14.4	1,569
2011	332	1,059	29.7	2,510	1,474	58.7	92	182	13.2	1,200
2012	888	823	33.8	1,609	810	50.3	284	58	11.0	468
2013	2,333	721	40.1	1,079	443	41.1	392	5	9.8	46
Redeterminations at age 18										
1999	—	3,356	30.8	7,523	4,304	57.2	—	1,059	24.6	3,245
2000	—	3,575	32.4	7,446	4,034	54.2	—	1,017	25.2	3,017
2001	—	3,256	32.4	6,793	3,723	54.8	—	969	26.0	2,754
2002	—	3,819	33.1	7,730	4,125	53.4	—	1,100	26.7	3,025
2003	—	3,818	32.5	7,924	4,295	54.2	—	1,146	26.7	3,149
2004	—	3,531	30.5	8,054	4,646	57.7	—	1,298	27.9	3,348
2005	—	3,756	30.3	8,647	5,135	59.4	—	1,436	28.0	3,699
2006	—	2,581	27.6	6,759	4,130	61.1	—	1,220	29.5	2,910
2007	—	4,793	27.0	12,980	8,275	63.8	2	2,448	29.6	5,825
2008	3	5,091	28.8	12,558	8,363	66.6	3	2,246	26.9	6,114
2009	27	7,047	25.9	20,151	13,366	66.3	73	3,252	24.5	10,041
2010	502	5,994	24.3	18,699	12,430	66.5	169	2,606	21.3	9,655
2011	2,289	6,442	25.9	18,471	12,008	65.0	681	2,126	18.8	9,201
2012	5,687	5,296	28.6	13,209	7,834	59.3	2,973	910	18.7	3,951
2013	13,982	4,241	30.4	9,697	4,477	46.2	3,899	82	14.2	496
All other reviews of SSI disabled children										
1999	—	9,324	32.8	19,086	11,711	61.4	—	2,615	22.3	9,096
2000	—	6,434	37.8	10,580	6,237	59.0	—	1,427	22.9	4,810
2001	—	4,619	39.1	7,189	4,257	59.2	—	955	22.4	3,302
2002	—	7,238	40.5	10,650	6,155	57.8	—	1,372	22.3	4,783
2003	—	6,248	42.0	8,628	4,996	57.9	—	1,149	23.0	3,847
2004	—	4,871	37.9	7,981	4,943	61.9	—	1,181	23.9	3,762
2005	—	3,121	37.2	5,279	3,326	63.0	—	769	23.1	2,557
2006	—	943	36.4	1,648	1,089	66.1	—	268	24.6	821
2007	—	269	40.3	399	264	66.2	—	80	30.3	184
2008	—	252	37.6	419	259	61.8	—	59	22.8	200
2009	1	506	42.2	694	448	64.6	—	93	20.8	355
2010	55	764	35.9	1,366	939	68.7	3	155	16.6	781
2011	340	1,296	35.4	2,369	1,568	66.2	91	283	19.2	1,194
2012	3,659	3,466	35.1	6,406	4,092	63.9	1,848	364	16.2	1,880
2013	6,203	1,975	41.0	2,841	1,334	47.0	1,245	11	12.4	78
Total reviews, SSI disabled children										
1999	—	13,287	32.5	27,641	16,503	59.7	—	3,757	22.8	12,746
2000	—	10,618	35.9	18,978	10,723	56.5	—	2,543	23.7	8,180
2001	—	8,379	36.0	14,881	8,385	56.3	—	1,985	23.7	6,400
2002	—	11,755	37.4	19,635	10,829	55.2	—	2,584	23.9	8,245
2003	—	10,430	37.7	17,214	9,592	55.7	—	2,355	24.6	7,237
2004	—	9,045	34.5	17,174	10,143	59.1	—	2,563	25.3	7,580
2005	—	7,579	33.2	15,219	9,087	59.7	—	2,309	25.4	6,778
2006	—	3,945	30.0	9,215	5,634	61.1	—	1,566	27.8	4,068
2007	—	5,235	27.6	13,716	8,728	63.6	2	2,566	29.4	6,160
2008	3	5,607	29.1	13,637	8,983	65.9	3	2,369	26.4	6,611
2009	34	8,145	26.7	22,345	14,683	65.7	74	3,499	24.0	11,110
2010	696	7,948	25.5	23,259	15,216	65.4	187	3,024	20.1	12,005
2011	2,961	8,797	27.4	23,350	15,050	64.5	864	2,591	18.3	11,595
2012	10,234	9,585	31.1	21,224	12,736	60.0	5,105	1,332	17.5	6,299
2013	22,518	6,937	33.8	13,617	6,254	45.9	5,536	98	13.6	620

**Table V.D4.—SSI Disabled Child Reviews: Disposition<sup>a</sup> of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 1999-2013 (Cont.)**

Selected summary case information by decision status as of February 2014							
Fiscal year of initial DDS decision <sup>b</sup>	Total initial decisions	Numbers of cases			Numbers as a percentage of total initial decisions		
		Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending
<b>Reviews of low-birth-weight children</b>							
1999	9,773	4,804	—	4,969	49.2	—	50.8
2000	10,178	5,274	—	4,904	51.8	—	48.2
2001	9,086	4,717	—	4,369	51.9	—	48.1
2002	12,732	6,679	—	6,053	52.5	—	47.5
2003	7,283	3,940	—	3,343	54.1	—	45.9
2004	12,060	6,802	—	5,258	56.4	—	43.6
2005	13,710	7,346	—	6,364	53.6	—	46.4
2006	8,303	4,529	—	3,774	54.5	—	45.5
2007	3,175	1,579	—	1,596	49.7	—	50.3
2008	5,272	2,559	—	2,713	48.5	—	51.5
2009	12,511	6,487	7	6,017	51.9	0.1	48.1
2010	22,396	10,501	154	11,741	46.9	.7	52.4
2011	19,359	8,849	424	10,086	45.7	2.2	52.1
2012	16,416	7,368	1,172	7,876	44.9	7.1	48.0
2013	19,299	8,398	2,725	8,176	43.5	14.1	42.4
<b>Redeterminations at age 18</b>							
1999	49,557	31,828	—	17,729	64.2	—	35.8
2000	51,713	33,455	—	18,258	64.7	—	35.3
2001	48,944	32,392	—	16,552	66.2	—	33.8
2002	54,947	37,307	—	17,640	67.9	—	32.1
2003	53,905	36,826	—	17,079	68.3	—	31.7
2004	53,232	36,719	—	16,513	69.0	—	31.0
2005	55,331	36,626	—	18,705	66.2	—	33.8
2006	40,640	25,597	—	15,043	63.0	—	37.0
2007	71,359	43,580	2	27,777	61.1	g	38.9
2008	69,430	41,884	6	27,540	60.3	g	39.7
2009	100,986	62,011	100	38,875	61.4	.1	38.5
2010	87,310	50,145	671	36,494	57.4	.8	41.8
2011	93,256	51,340	2,970	38,946	55.1	3.2	41.8
2012	81,568	42,791	8,660	30,117	52.5	10.6	36.9
2013	91,519	44,830	17,881	28,808	49.0	19.5	31.5
<b>All other reviews of SSI disabled children</b>							
1999	183,211	141,359	—	41,852	77.2	—	22.8
2000	140,699	114,444	—	26,255	81.3	—	18.7
2001	95,835	78,470	—	17,365	81.9	—	18.1
2002	163,768	139,044	—	24,724	84.9	—	15.1
2003	127,444	107,919	—	19,525	84.7	—	15.3
2004	103,437	86,800	—	16,637	83.9	—	16.1
2005	61,387	49,487	—	11,900	80.6	—	19.4
2006	19,384	15,639	—	3,745	80.7	—	19.3
2007	4,440	3,510	—	930	79.1	—	20.9
2008	4,707	3,784	—	923	80.4	—	19.6
2009	10,637	8,954	1	1,682	84.2	g	15.8
2010	16,677	13,420	58	3,199	80.5	.3	19.2
2011	25,166	18,736	431	5,999	74.4	1.7	23.8
2012	64,834	45,099	5,507	14,228	69.6	8.5	21.9
2013	52,998	35,746	7,448	9,804	67.4	14.1	18.5
<b>Total reviews, SSI disabled children</b>							
1999	242,541	177,991	—	64,550	73.4	—	26.6
2000	202,590	153,173	—	49,417	75.6	—	24.4
2001	153,865	115,579	—	38,286	75.1	—	24.9
2002	231,447	183,030	—	48,417	79.1	—	20.9
2003	188,632	148,685	—	39,947	78.8	—	21.2
2004	168,729	130,321	—	38,408	77.2	—	22.8
2005	130,428	93,459	—	36,969	71.7	—	28.3
2006	68,327	45,765	—	22,562	67.0	—	33.0
2007	78,974	48,669	2	30,303	61.6	g	38.4
2008	79,409	48,227	6	31,176	60.7	g	39.3
2009	124,134	77,452	108	46,574	62.4	.1	37.5
2010	126,383	74,066	883	51,434	58.6	.7	40.7
2011	137,781	78,925	3,825	55,031	57.3	2.8	39.9
2012	162,818	95,258	15,339	52,221	58.5	9.4	32.1
2013	163,816	88,974	28,054	46,788	54.3	17.1	28.6

<sup>a</sup> Data reflect results as of February 2014. The ultimate numbers of continuations and cessations are subject to change until all appeals are final.

<sup>b</sup> For years prior to 1999, see the most recent Annual Report of Continuing Disability Reviews.

<sup>c</sup> Percentage of decisions at this level.

<sup>d</sup> Percentage of cessations at this level appealed to next level.

<sup>e</sup> We do not reflect the status and disposition of cases in the Federal courts here. However, we have included information on the status and disposition at the Office of Disability Adjudication and Review (ODAR) for cases remanded to us by the courts. The excluded experience in the Federal courts has a minimal impact on the number of continuations.

<sup>f</sup> Number of persons appealing beyond the reconsideration level.

<sup>g</sup> Less than 0.05 percent.

**E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION**

**1. Work Incentives**

Since the beginning of the Supplemental Security Income (SSI) program, a number of disabled or blind recipients have worked and received SSI payments. Initially, the program contained a basic earned income exclusion that recognized the additional costs associated with employment. In addition, the law contained a number of special income exclusions designed to encourage work. The income exclusion for blind work expenses (BWE), plan to achieve self-support (PASS), and student earned income exclusion (SEIE) were among these provisions.

In the 1980 amendments to the Social Security Act, Congress provided additional incentives to help SSI disabled recipients become self-supporting. These incentives included:

- Providing for an earned income exclusion for impairment-related work expenses (IRWE);
- Changing the treatment of sheltered workshop earnings from unearned income to earned income, thereby qualifying sheltered workshop earnings for the earned income exclusion;
- Providing for the continuation of SSI payments for certain disabled individuals enrolled in vocational rehabilitation (VR) programs whose disability ceased due to medical recovery (extended to SSI blind recipients, effective April 1988);
- Establishing section 1619, which provided:
  - In subsection 1619(a), special SSI cash benefits to disabled individuals who lose eligibility for SSI payments because they have earnings exceeding the level that is ordinarily considered to represent substantial gainful activity (SGA), and
  - In subsection 1619(b), special SSI recipient status for Medicaid purposes to working disabled or blind individuals when their earnings make them ineligible for cash payments.

Table V.E1 presents the historical SGA and SEIE amounts.

**Table V.E1.—SSI Substantial Gainful Activity and Student Earned Income Exclusion Amounts, Calendar Years 1974-2014**

Year	SGA level <sup>a</sup>	Monthly exclusion	Maximum exclusion for calendar year
1974 to 1975 .....	\$200	\$400	\$1,620
1976.....	230	400	1,620
1977.....	240	400	1,620
1978.....	260	400	1,620
1979.....	280	400	1,620
1980 to 1989 .....	300	400	1,620
1990 to 1998 .....	500	400	1,620
1999 to 2000 .....	<sup>b</sup> 700	400	1,620
2001.....	740	1,290	5,200
2002.....	780	1,320	5,340
2003.....	800	1,340	5,410
2004.....	810	1,370	5,520
2005.....	830	1,410	5,670
2006.....	860	1,460	5,910
2007.....	900	1,510	6,100
2008.....	940	1,550	6,240
2009.....	980	1,640	6,600
2010.....	1,000	1,640	6,600
2011.....	1,000	1,640	6,600
2012.....	1,010	1,700	6,840
2013.....	1,040	1,730	6,960
2014.....	1,070	1,750	7,060

<sup>a</sup> According to regulation, SSA bases increases in 2001 and subsequent years on increases in the national average wage index. SGA rules do not apply to blind recipients.

<sup>b</sup> Increased to \$700 in July 1999.

We discuss the incentives for work and opportunities for rehabilitation in more detail in section III.E. In the following tables we provide historical information on participation by SSI recipients in work incentive programs.<sup>1</sup>

**a. Numbers of Participants in Work Incentive Programs**

In this section, we present historical data on participation by SSI recipients in work incentive programs. Table V.E2 presents historical numbers of SSI recipients categorized according to their section 1619 status. Figure V.E1 presents this information in graphical form

**Table V.E2.—SSI Federally Administered Blind or Disabled Working Recipients as of December, 1987-2013**

Year	In current-payment status			Total workers
	1619(a) workers <sup>a</sup>	Other workers <sup>b</sup>	1619(b) workers <sup>c</sup>	
1987	14,559	142,664	15,632	172,855
1988	19,920	153,599	15,625	189,144
1989	25,655	161,928	18,254	205,837
1990	13,994	182,421	23,517	219,932
1991	15,531	186,824	27,264	229,619
1992	17,603	199,665	31,649	248,917
1993	20,028	210,322	35,299	265,649
1994	24,315	217,478	40,683	282,476
1995	28,060	223,573	47,002	298,635
1996	31,085	225,310	51,905	308,300
1997	34,673	228,093	57,089	319,855
1998	37,271	229,662	59,542	326,475
1999	25,528	245,825	69,265	340,618
2000	27,542	249,313	83,572	360,427
2001	22,100	247,555	76,455	346,110
2002	17,271	241,462	82,177	340,910
2003	17,132	235,453	71,097	323,682
2004	17,114	237,409	73,681	328,204
2005	17,621	240,744	78,205	336,570
2006	17,394	242,676	89,350	349,420
2007	16,939	242,854	97,551	357,344
2008	16,142	240,138	99,482	355,762
2009	11,900	236,741	91,534	340,175
2010	11,305	234,481	72,751	318,537
2011	11,763	235,248	65,768	312,779
2012	11,813	233,915	67,927	313,655
2013	12,054	232,196	67,818	312,068

<sup>a</sup> Includes disabled workers whose earnings are above SGA level.

<sup>b</sup> Includes blind workers in current-payment status and disabled workers whose earnings are at or below SGA level.

<sup>c</sup> 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

<sup>1</sup> More detailed information on participation by SSI recipients in work incentive programs is provided in the *SSI Annual Statistical Report, Pub. No. 13-11827*, prepared by the Office of Research, Evaluation, and Statistics, Social Security Administration.

**Figure V.E1.—SSI Federally Administered Blind or Disabled Working Recipients as of December, 1987-2013**

[In thousands]

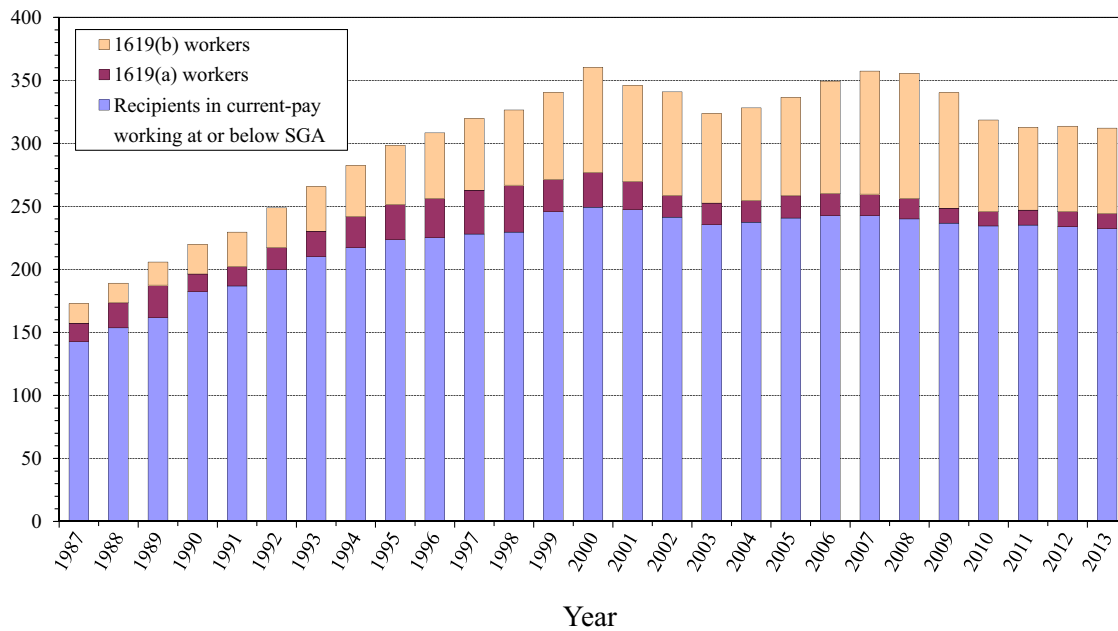


Table V.E3 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) PASS; (2) IRWE; and (3) BWE. These recipients may be benefiting from more than one of these selected work incentive provisions. This information is available only for calendar years 1990 and later.

**Table V.E3.—SSI Federally Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-2013**

Year	PASS <sup>a</sup>			IRWE	BWE
	Non-workers	Workers	Total		
1990.....	1,215	1,040	2,255	5,384	4,385
1991.....	1,969	1,601	3,570	6,546	4,330
1992.....	3,189	2,658	5,847	7,813	4,454
1993.....	4,528	3,602	8,130	8,629	4,406
1994.....	5,842	4,487	10,329	9,484	4,380
1995.....	5,719	4,603	10,322	9,940	4,433
1996.....	2,760	1,944	4,704	9,799	4,230
1997.....	1,290	708	1,998	9,637	4,116
1998.....	712	362	1,074	9,301	3,802
1999.....	698	347	1,045	9,520	3,971
2000.....	862	520	1,382	9,422	3,895
2001.....	1,024	576	1,600	8,798	3,642
2002.....	1,150	571	1,721	8,047	3,386
2003.....	1,181	524	1,705	7,604	3,074
2004.....	1,112	486	1,598	6,874	2,827
2005.....	1,089	493	1,582	6,310	2,552
2006.....	1,098	485	1,583	5,650	2,370
2007.....	1,003	512	1,515	5,161	2,142
2008.....	1,074	485	1,559	4,572	1,925
2009.....	1,037	420	1,457	3,862	1,643
2010.....	1,001	392	1,393	3,491	1,847
2011.....	882	405	1,287	3,339	1,570
2012.....	760	356	1,116	3,157	1,410
2013.....	612	336	948	2,982	1,284

<sup>a</sup> For years 1990 through 1996, data do not include PASS plans that exclude only resources. Note: Working recipients participating in these other work incentives may be 1619(a) recipients, 1619(b) recipients, or other working recipients.

**b. Average Earnings of Participants in Work Incentive Programs**

In this section, we present historical data on average earnings of SSI working recipients. Table V.E4 presents average earnings of SSI recipients categorized according to their section 1619 status.

**Table V.E4.—Average Monthly Earnings of SSI Federally Administered Blind or Disabled Working Recipients, as of December, 1987-2013**

Year	Blind or disabled workers with SSI recipient status			
	In current-payment status			Total workers
	1619(a) workers <sup>a</sup>	Other workers <sup>b</sup>	1619(b) workers <sup>c</sup>	
1987	\$494	<sup>d</sup> \$124	\$739	<sup>d</sup> \$211
1988	522	<sup>d</sup> 127	721	<sup>d</sup> 218
1989	518	<sup>d</sup> 131	712	<sup>d</sup> 231
1990	712	145	746	245
1991	724	148	780	262
1992	726	150	781	271
1993	728	153	784	280
1994	746	157	803	301
1995	754	160	834	322
1996	764	162	881	344
1997	772	164	932	367
1998	772	182	954	390
1999	926	207	980	418
2000	945	239	1,048	481
2001	1,004	252	1,043	475
2002	1,043	253	1,094	495
2003	1,059	241	1,081	469
2004	1,076	246	1,070	474
2005	1,111	255	1,118	500
2006	1,166	258	1,193	542
2007	1,193	262	1,267	581
2008	1,235	259	1,340	605
2009	1,262	252	1,327	577
2010	1,260	244	1,266	513
2011	1,265	248	1,261	499
2012	1,298	257	1,318	526
2013	1,321	266	1,374	548

<sup>a</sup> Workers' earnings are above the SGA level. See table V.E1 for yearly SGA levels.

<sup>b</sup> Disabled workers' earnings are at or below the SGA level.

<sup>c</sup> 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

<sup>d</sup> Estimated.

**2. Vocational Rehabilitation/Ticket to Work Program**

Provisions designed to make VR services available to SSI blind or disabled recipients have been part of the SSI program since its inception. From the beginning, the Social Security Administration (SSA) referred SSI recipients to State VR agencies, which provided services to those recipients they accepted as clients. Prior to 1981, SSA made block grants to VR agencies to fund services to disabled beneficiaries. The 1981 amendments changed this and established a “cost” reimbursement provision. Under this provision, we reimburse VR agencies for the cost of VR services furnished to blind or disabled SSI recipients only if the services result in the recipient returning to work. For reimbursement purposes, we consider recipients to have returned to work if they have had earnings exceeding the SGA level for 9 continuous months.

The 1984 amendments authorized reimbursement for cases where the recipient medically recovers while engaged in a program of rehabilitation services approved by SSA and SSA determines that continuation or completion of such a program would increase the likelihood the individual will permanently leave the rolls.<sup>1</sup> The 1990 amendments authorized reimbursement for the cost of services the VR agencies provide in months in which the individual is not receiving Federal SSI benefits if the individual:

- Has special SSI recipient status for Medicaid purposes under section 1619(b) of the Social Security Act;

<sup>1</sup> The 1980 amendments provided for benefit continuation for such SSI recipients who were continuing in a VR program after their disability ended. Lawmakers extended the provision to blind recipients effective April 1988.

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- Receives a federally administered State supplementation payment; or
- Temporarily loses eligibility for SSI benefits for fewer than 13 consecutive months for a reason other than cessation of disability or blindness.

In 1994, SSA amended the regulations to include reimbursement to alternate private and non-State public VR providers (“alternate participants”) that provided VR services to recipients that a State VR agency had not accepted as clients. The Ticket to Work and Work Incentives Improvement Act of 1999 subsequently replaced the alternate provider program with the Ticket to Work and Self-Sufficiency program (Ticket to Work program).

Under the Ticket to Work program, a disabled beneficiary may obtain VR, employment and other support services from qualified private or public providers—“employment networks” (EN). The Ticket to Work program authorizes the Commissioner to provide payments to ENs under either an outcome payment system or an outcome-milestone payment system.<sup>1</sup> By expanding the pool of providers and giving the providers incentives for achieving success, this program provides access to these services for persons with disabilities to assist them in finding, entering, and retaining employment as well as reducing their dependence on cash benefits.

Beginning in February 2002, SSA implemented the Ticket to Work program on a State-by-State basis and completed implementation in September 2004. As we implemented the Ticket to Work program in each State, we eliminated the alternate provider and the traditional VR referral process described earlier. SSA provides eligible individuals who receive SSI benefits due to blindness or disability in such a State with access to employment support services. Ticket-eligible beneficiaries may use the ticket to obtain VR services, employment services, and other support services needed to return to work or go to work for the first time from ENs or their State VR agencies. Individuals not eligible for a ticket may still request services from a State VR agency; the VR agency continues to decide whether each beneficiary is eligible for services under the Rehabilitation Act of 1973.

The Ticket to Work program legislation required that SSA establish a corps of work incentives specialists to disseminate accurate information about work incentives. In addition, the Social Security Protection Act of 2004 mandated that SSA provide a work report receipt to the beneficiary. SSA responded to these mandates with the following actions:

- In fiscal year 2003, SSA established the Area Work Incentives Coordinator (AWIC) position and trained a total of 58 AWICs, assigning at least one AWIC to each Area Director’s Office. We created the AWIC position to improve the quality of employment support services provided to beneficiaries through training, outreach, and better coordination of support services. As of fiscal year 2014, there are 50 AWICs on duty.
- In fiscal year 2004, SSA released eWork, a web-based design application that provides a uniform electronic system to process and control Old-Age, Survivors, and Disability Insurance (OASDI) return to work cases. Since eWork does not communicate with any SSI systems, SSA developed a web-based application, the SSI Monthly Wage Verification (SSIMWV), to process and control SSI work reports. The SSIMWV allows SSA employees to issue the mandated work report receipt in addition to processing the wage report. We released SSIMWV nationally in November 2006.

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<sup>1</sup> State VR agencies may elect on a case-by-case basis to receive payment under the traditional VR reimbursement system or as an EN under the outcome or outcome-milestone payment system.



- In fiscal year 2008, we implemented the Supplemental Security Income Telephone Wage Reporting (SSITWR) system nationally to help reduce wage-related improper payments and facilitate timely and accurate wage reporting. SSITWR is an automated system that uses a toll-free dedicated telephone number, with touch-tone entry and voice-recognition software. It allows SSI recipients, their representative payees, and deems to report gross wages from the prior month over the phone. Beginning in fiscal year 2014, wage reporters can use the SSITWR on any day of the month to successfully report wages for the prior month. SSITWR posts successful wage reports to the SSI record without intervention from an SSA employee and adjusts subsequent SSI payment amounts before we issue the payment. The system also issues an automated receipt to the SSI recipient and his or her representative payee for each successful wage report as required by section 202 of the Social Security Protection Act of 2004.
- In fiscal year 2006, SSA awarded cooperative agreements in all States, the District of Columbia, and U.S. territories under the new Work Incentives Planning and Assistance (WIPA) program, which replaced and enhanced the former Benefits Planning, Assistance, and Outreach program. The WIPA program provides accurate information about work incentive programs and other employment support services, as well as planning and assistance services, to beneficiaries with disabilities to support and facilitate their transition into the workforce. Funding for SSA's WIPA program, provided from SSA's fiscal year 2011 appropriation, ended in the summer of 2012. Therefore, as of June 30, 2012, the majority of WIPA program grantees no longer had SSA funds available to continue to provide these services. Some grants had sufficient funding through September 2012, others through December 2012, and a small number through 2013, but despite the 2012 funding lapse, we restarted the WIPA program in August 2013.

In fiscal year 2003, AWIC employees provided refresher training on employment supports to the local Work Incentive Liaisons located in each of the local field offices. Beginning in fiscal year 2004, SSA updated the systems application phase of this training with the release of eWork. We provided training to all direct service employees in field offices, teleservice centers and the payment processing centers. We completed this training initiative in November 2004.

AWICs have also been very active in participating in outreach activities in their local areas and continue to be the primary point of contact for public information outreach in the communities. They have strengthened the relationship with our Ticket to Work program partners. AWICs also work closely with the regional PASS cadres in SSA to make joint educational presentations to the community about our employment support programs. The partnership has strengthened support of one of the objectives of the Ticket to Work program, which is to educate the public about the benefits of returning to work and becoming self-sufficient. We have made presentations directly to persons with disabilities and organizations that provide services to this target group, including presentations at:

- Work Incentives Seminar Events
- Disability Employment Fairs
- Disability Forums and Expos
- Technical Colleges
- Universities
- Disability Resource Centers
- One-Stop Career Centers (now called American Job Centers)
- Small Business Administration Groups

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- Workforce Investment Fairs
- Independent Living Councils’ Conferences
- United Way Agencies
- State Advocacy Groups

In 2008, we revised the Ticket to Work regulations to enhance beneficiary choice and improve the effectiveness of the program. The revisions extended the program to all adult OASDI disabled and SSI blind or disabled beneficiaries, removed disincentives for employment networks to participate in the program, provided incentives for them to support beneficiaries through a more gradual return to work, and positioned them to better support ongoing retention of employment. Since we published the new regulations, we have noted promising trends:

- We have seen a 57.5 percent increase in beneficiaries initiating return to work programs from 203,664 as of May 1, 2008 to 320,889 as of April 30, 2014;
- We have seen a 4.0 percent increase in beneficiaries choosing to participate in the Ticket to Work program from 310,291 in January 2013 to 322,697 in January 2014.

See section V.G.1.d for information on the evaluation of the Ticket to Work program.

Table V.E5 provides historical data on the number of VR agency reimbursement claims allowed and the amount of such awards for SSI recipients.

In the broader context of helping people with disabilities remain in the workforce, the President’s Fiscal Year 2015 Budget provides “new authority and \$400 million in new resources for SSA, in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and quality of life of people with disabilities, and the proposed demonstration authority will help build the evidence base for future program improvements.”

**Table V.E5.—Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-2013**

Fiscal year	Concurrent title II/XVI claims		Title XVI only claims		Total claims	
	Number	Amount <sup>a</sup> (in thousands)	Number	Amount (in thousands)	Number	Amount <sup>a</sup> (in thousands)
1987 .....	b	b	1,493	\$10,010	b	b
1988 .....	b	b	1,720	14,831	b	b
1989 .....	b	b	1,871	18,366	b	b
1990 .....	1,267	\$3,290	2,819	22,832	4,086	\$26,122
1991 .....	1,445	4,325	2,171	20,615	3,616	24,940
1992 .....	1,634	5,312	2,834	28,276	4,468	33,588
1993 .....	1,928	6,670	2,158	22,264	4,086	28,934
1994 .....	1,880	7,057	2,074	23,400	3,954	30,457
1995 .....	2,140	7,761	2,229	26,402	4,369	34,162
1996 .....	2,033	6,518	2,138	24,334	4,171	30,852
1997 .....	2,735	8,541	2,914	31,532	5,649	40,073
1998 .....	3,329	10,089	3,446	36,313	6,775	46,402
1999 .....	3,572	11,403	4,046	42,281	7,618	53,684
2000 .....	3,260	11,357	3,589	40,793	6,849	52,150
2001 .....	2,388	9,590	2,763	34,842	5,151	44,432
2002 .....	3,241	12,201	3,474	43,244	6,715	55,445
2003 .....	2,139	8,110	1,993	25,238	4,132	33,348
2004 .....	1,999	7,759	2,150	26,390	4,149	34,149
2005 .....	1,883	7,420	1,692	21,866	3,575	29,286
2006 .....	2,581	10,382	2,257	28,597	4,838	38,979

**Table V.E5.—Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-2013 (Cont.)**

Fiscal year	Concurrent title II/XVI claims		Title XVI only claims		Total claims	
	Number	Amount <sup>a</sup> (in thousands)	Number	Amount (in thousands)	Number	Amount <sup>a</sup> (in thousands)
2007 .....	2,037	8,407	1,871	26,468	3,908	34,875
2008 .....	2,743	11,229	2,515	35,732	5,258	46,961
2009 .....	2,567	11,046	2,373	34,801	4,940	45,847
2010 .....	2,337	9,431	2,109	32,511	4,446	41,942
2011 .....	1,300	6,551	1,407	23,196	2,707	29,747
2012 .....	1,418	6,046	1,540	24,351	2,958	30,397
2013 .....	2,788	12,847	2,636	40,167	5,424	53,014

<sup>a</sup> For concurrent title II/XVI claims, amounts shown represent title XVI portion of claim.

<sup>b</sup> For fiscal years 1987-89, data on title II reimbursement claims involving concurrent title XVI reimbursement claims are not available.

Note: Totals do not necessarily equal the sums of rounded components.

Table V.E6 provides historical data on the number of employment network payments allowed and the amount of such payments for SSI recipients.

**Table V.E6.—Employment Network Payments Allowed, Fiscal Years 2002-2013<sup>a</sup>**

Fiscal year	Concurrent title II/XVI payments		Title XVI only payments		Total payments	
	Number	Amount <sup>b</sup> (in thousands)	Number	Amount (in thousands)	Number	Amount <sup>b</sup> (in thousands)
2002 .....	7	\$1	1	<sup>c</sup>	8	\$1
2003 .....	138	19	260	\$47	398	66
2004 .....	245	35	674	127	919	162
2005 .....	692	105	1,292	251	1,984	356
2006 .....	975	137	1,648	317	2,623	454
2007 .....	1,259	181	1,713	334	2,972	515
2008 .....	1,827	274	2,524	520	4,351	794
2009 .....	2,575	594	3,282	1,310	5,857	1,904
2010 .....	3,461	864	3,819	1,704	7,280	2,568
2011 .....	4,565	1,145	5,879	2,789	10,444	3,934
2012 .....	5,577	1,359	6,257	2,971	11,834	4,330
2013 .....	5,579	1,375	6,262	3,185	11,841	4,560

<sup>a</sup> Does not include reimbursements to State VR agencies for tickets assigned under the VR cost-reimbursement option.

<sup>b</sup> For concurrent title II/XVI payments, amounts shown represent title XVI portion of the payments.

<sup>c</sup> Less than \$500.

Note: Totals do not necessarily equal the sums of rounded components.

**F. INVOLVEMENT OF SSI RECIPIENTS IN OTHER PROGRAMS**

In this appendix, we present statistics on participation by Supplemental Security Income (SSI) recipients in other programs using data from the Supplemental Security Record (SSR), the main administrative file for the SSI program. We develop summary data on: (1) current participation by SSI recipients in other programs from a 100 percent extract of the SSR; and (2) previous participation by SSI recipients in other programs from a 10 percent extract of the SSR. Both sets of summary data are representative of the overall SSI recipient population.

Since the amount of an individual’s income affects both the eligibility for and the amount of his or her SSI benefit, the SSR must contain information on participation by SSI recipients in certain other programs that may provide countable income to the SSI recipient. A significant number of SSI recipients are Social Security beneficiaries whose total countable income, including Old-Age, Survivors, and Disability Insurance (OASDI) benefits, is less than the Federal benefit rate plus the amount of applicable federally administered State supplementation payment. A smaller number of SSI recipients participate in other programs and receive income such as workers’ compensation benefits or disability cash benefits from the Department of Veterans Affairs.

SSA does not maintain complete information concerning the involvement of SSI recipients in other assistance programs because under the law payments from such programs are not countable income attributable to the individual. We do, however, have some data with regard to entitlement to benefits under two other programs—Temporary Assistance for Needy Families (TANF) (which replaced Aid to Families with Dependent Children (AFDC)) and State Interim Assistance Reimbursement—at the point that the individual applied for SSI benefits. TANF (and AFDC previously) is a State program funded under Part A of title IV of the Social Security Act. Interim assistance is assistance a State gives to SSI applicants in cash or vendor payments for meeting basic needs while they are awaiting the outcome of the SSI eligibility determination process.

Table V.F1 presents percentages of SSI recipients who: (1) concurrently receive payments from certain other selected programs; or (2) have previously received TANF/AFDC benefits or Interim Assistance Reimbursement.

**Table V.F1.—Percentage of SSI Federally Administered Recipients in Current-Payment Status with Participation<sup>a</sup> in Selected Programs Based on SSA Administrative Records, December 2013**

	Age groups			All
	0-17	18-64	65 or older	
Number of Federally administered recipients, December 2013 (in thousands).....	1,322	4,934	2,108	8,363
	Program			(In percent)
Program participation by SSI recipients, December 2013				
Federal SSI.....	99.9	97.8	94.8	97.4
Federally administered State SSI supplementation.....	17.9	22.7	41.4	26.6
OASDI.....	7.6	30.4	55.9	33.2
Black Lung.....	0.0	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>
Railroad retirement.....	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>
Veterans Affairs disability cash benefits.....	0.4	0.4	0.9	0.5
Workers’ compensation.....	<sup>b</sup>	0.1	<sup>b</sup>	<sup>b</sup>
Previous program participation by SSI recipients at SSI application, December 2013				
TANF/AFDC.....	24.4	27.8	13.0	23.5
Interim Assistance Reimbursement.....	0.8	13.5	11.2	10.9

<sup>a</sup> SSI recipients or households of SSI recipients may participate in more than one of these programs.

<sup>b</sup> Less than 0.05 percent of SSI recipients in this age grouping participate in the program.

Note: Total numbers of recipients do not necessarily equal the sums of rounded components.

There are other potential sources for information on SSI recipients when that information is not available on the SSI administrative files. These sources include the three surveys described below:

- The Survey of Income and Program Participation, a U.S. Census Bureau sample survey, is comprised of a continuous series of national panels that collect information, such as the source and amount of income, asset holdings, program participation, and general demographic characteristics for the U.S. civilian noninstitutionalized population.
- The Current Population Survey (CPS), a U.S. Census Bureau sample survey conducted monthly by the Bureau of the Census for the Bureau of Labor Statistics is the primary source of information on the labor force characteristics of the U.S. population. The CPS March Supplement (the Annual Social and Economic Supplement), collects (in addition to the usual monthly labor force data) information on income, noncash benefits, program participation, and general demographic characteristics for the U.S. resident noninstitutionalized population.
- The Health and Retirement Study, a survey sponsored by the National Institute on Aging and conducted by the University of Michigan, is a biennial survey that collects information such as health status, health care utilization, income, asset holdings, program participation, and general demographic characteristics for the U. S. population over age 50.

## **G RESEARCH ON RELATED TOPICS**

The legislative mandate for this report requires inclusion of information about relevant research on the Supplemental Security Income (SSI) program by the Social Security Administration (SSA) and others. Section 1 of this appendix describes SSA's major ongoing projects. Section 2 presents a bibliography of studies regarding SSI payment levels, recipients, and reform proposals published in the past 10 years by both public and private entities.

### **1. Ongoing Research**

#### ***a. SSI Policy Simulations***

Using Survey of Income and Program Participation (SIPP) data matched to administrative records, SSA researchers have developed a model of financial eligibility for SSI to estimate the rate of participation among the eligible elderly and the effects of various options to modify the SSI program (see Davies et al. 2001/2002). The model suggests that the rate of participation among the eligible elderly was about 62 percent in 1991. The comparable participation rate estimate at the end of 1996 was also 62 percent. An updated version of the model uses the 2008 SIPP matched to administrative records.

We used the model to simulate the potential effects of several approaches to expand the SSI program to fight poverty among the elderly. Approaches focusing on incremental changes in the Federal benefit rate, the general income exclusion, and the resources test appear roughly equally effective in reducing the poverty gap among the elderly on a cost-equivalent basis, while two approaches focusing on relaxing the earned income exclusion are less effective (Davies, Rupp, and Strand 2004). We expanded the model to address SSI participation and financial eligibility among the working-age disabled and to assess SSI benefit restructuring options for the entire SSI population. The working-age model allows for the identification of working-age persons by their SSI financial eligibility status, Social Security Disability Insurance (SSDI) insured status, and participation in both programs. We used the expanded model to assess SSI's role in complementing SSDI and enhancing the safety net for the working-age population (Rupp, Davies, and Strand 2008). We simulated the effects of several approaches to changing in-kind support and maintenance rules and options for altering the calculation of the Federal benefit rate for certain living arrangement categories (Balkus et al. 2009). We also studied eligibility for Medicare buy-in programs with the financial eligibility model (see Rupp and Sears 2000; Sears 2001/2002). In unpublished internal research, we used the model to estimate the size of the population potentially eligible for the Medicare Part D low income subsidy.

#### ***b. National Survey of SSI Children and Families***

The National Survey of SSI Children and Families (NSCF) addressed a number of agency policy and program objectives. One objective was to address issues specifically pertaining to the effects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform). However, the survey as designed is useful for the study of a broader range of issues of current interest to policy makers. Most importantly, it allows for the analysis of a nationally representative cross-section of SSI recipient children aged 0-17 and young adults aged 18-23. Among the questions the survey answers are the following:

- What are the characteristics of SSI children?
- What alternative sources of care are available to disabled children who lose SSI benefits?
- How is quality of life and utilization of medical services impacted by gaining or losing SSI benefits?
- What is the cost of caring for a child with disabilities?

- What are the uses of SSI benefits?
- What is the impact of the nature and severity of the child's disabilities on parental labor force participation?

The NSCF data collection began July 2001 and concluded June 2002. The NSCF sample size was considerably larger for SSI children and young adults than the sample size available in other surveys. Altogether, the NSCF includes 8,535 completed interviews with 5,006 individuals who received SSI benefits in December 2000 and 5,033 who received SSI benefits in December 1996. The NSCF public-use data file and documentation is available on our website at [www.socialsecurity.gov/disabilityresearch/nscf.htm](http://www.socialsecurity.gov/disabilityresearch/nscf.htm). Davies and Rupp (2005/2006) provides an overview of the survey and describes some key features. We discuss other analyses using these data in section c, Analytic Studies, below. Although it was a cross-sectional data collection effort, we continue to update the match between NSCF and SSI administrative records with longitudinal data on SSI program participation.

### *c. Analytic Studies*

A number of studies by SSA researchers provide a better understanding of the SSI program, the elderly and disabled target populations, program interactions, and the role of the SSI program in the United States social safety net. Nicholas (2013) as well as Koenig and Rupp (2003/2004) estimate the prevalence, characteristics, and poverty status of SSI recipients living with others on SSI (who are not an eligible spouse) in the context of their individual, family and household units. In 2003 and again in 2005, SSA provided funding for interviewing supplemental samples of SSI and SSDI beneficiaries to increase the SIPP sample size available for analyses of these target groups. DeCesaro and Hemmeter (2008) examines the characteristics of SSDI and SSI program participants using the 2003 supplemental sample combined with the 2001 SIPP, both matched to administrative records. Bailey and Hemmeter (2014) updated this research note using the 2008 SIPP matched to 2010 administrative records to examine the characteristics of SSDI and SSI program participants. Rupp and Davies (2004) tracks survey respondents from the 1984 SIPP for 14 years using administrative records on SSI and SSDI participation and death events to assess the relationship between self-reported health status, disabilities, mortality, and participation in the SSI and SSDI programs. Weathers et al. (2007) uses a unique longitudinal dataset based on administrative data from the National Technical Institute for the Deaf (NTID) linked to our administrative records to conduct a case study of SSI children who applied for postsecondary education at NTID. Another study uses our administrative records from August 2005 through August 2007 to analyze SSI recipients who lived in counties and parishes affected by Hurricanes Katrina and Rita (Davies and Hemmeter 2010). Hemmeter (2009) examines the occupational distribution of SSI disability recipients aged 18-61 who work. Hemmeter and Gilby (2009) analyzes age-18 redetermination outcomes for SSI youth, including appeals of initial cessations and subsequent reapplications for benefits after a period of ineligibility, while Hemmeter (2012) looks at changes in diagnostic codes following the age-18 redetermination. Another research study examines the subsequent participation in the SSDI and SSI programs by individuals whose eligibility for those programs ceased through a continuing disability review because of medical improvements (Hemmeter and Stegman 2013). Rupp (2012) analyzes factors affecting initial disability allowance rates for the SSDI and SSI programs and finds that demographic and diagnostic characteristics of applicants and the local unemployment rate substantially affect the initial allowance rate.

Using data from the Current Population Survey matched to our administrative records, Nicholas and Wiseman (2009 and 2010) assess the impact of using administrative records on poverty estimation among elderly SSI recipients using the official and alternative definitions of poverty. Wiseman and Ycas (2008) compares the Canadian social assistance program for the elderly with the SSI program, looking at program structure, cost, and consequences for elderly poverty rates. Kemp (2010) conducts a descriptive analysis of the SSI student earned income exclusion. One ongoing study is examining the growth in SSI applications and awards among children. Another ongoing study is looking at SSI children by year of award and age at

award and analyzing transitions (e.g., onto SSDI, off SSDI and SSI, mortality) as they age into adulthood. Parent, Sayman and Kulzer (2012) provides a comprehensive profile of the characteristics of disability beneficiaries with a connection to workers' compensation or public disability benefits. Parent et al. (2012) found that 8.3 percent of disabled workers who have this connection tend to be economically better off, more frequently middle-aged, male, afflicted with a musculoskeletal and connective tissue disorder, and tend to wait longer to apply for SSDI benefits after onset than the general disabled-worker population.

Several studies focus on the distributional effects of the SSI program through its interactions with other Federal and State programs. Dushi and Rupp (2013) uses longitudinal data from the Health and Retirement Study to assess the role of SSI and related social safety net programs in providing a buffer against the potentially adverse effects of disability shocks in the near-elderly population on financial well-being. Rupp et al. (2007) provides an empirical analysis of the SSI Federal benefit rate for assessing benefit adequacy among elderly Social Security beneficiaries and the effectiveness of the SSI benefit eligibility screens for targeting economically vulnerable elderly beneficiaries. Balkus et al. (2009) examines the distributional effects of replacing current policies on living arrangements and in-kind support with a simpler, cost neutral alternative. Strand and Rupp (2007) highlights the distributional implications of Social Security reform scenarios involving a potential shift from wage indexing to price indexing or longevity indexing in the establishment of initial benefits. Strand (2010) uses matched SIPP records to examine potential eligibility for three major means-tested programs (SSI, Medicaid, and Food Stamp) among near retirees aged 55-64 and eventual SSI participation upon reaching age 65. Rupp, Davies, and Strand (2008) finds that over one-third of the working-age population is covered by SSI in the event of a severe disability, which provides disability benefit coverage to many who are not SSDI-insured and enhances the potential bundle of disability cash benefits among a substantial segment of those who are SSDI-insured.

Ongoing work and previously published papers by Rupp and Riley are based on a linkage of individual-level administrative data from SSA and the Centers for Medicare & Medicaid Services. First, Rupp and Riley (2011) analyzes longitudinal patterns of interaction between SSDI and SSI and finds that one quarter of the year 2000 cohort of first-ever, working-age disability awardees received benefits from both programs over a 60-month period. A second paper (Rupp and Riley 2012) analyzes the effect of longitudinal interactions between the SSDI and SSI programs in providing access to Medicare and Medicaid, and finds that SSI facilitates high levels of Medicaid coverage for SSI awardees overall and provides access to Medicaid for many SSDI awardees during the 24-month Medicare waiting period. A third paper (Riley and Rupp, 2012) tracks expenditures for 2000-2006 for the SSDI, SSI, Medicare, and Medicaid programs and finds that SSI is a relatively low-expenditure program with important implications for the other three programs. The authors conclude that SSI and Medicaid provide a temporary safety net supporting SSDI beneficiaries during their SSDI and Medicare waiting periods. Ongoing work by the authors focuses on estimated cumulative expenditure patterns over the working-age adult portion of the life cycle for the year 2000 awardees for the four programs (SSDI, SSI, Medicare, and Medicaid). An additional piece of ongoing analysis focuses on the effect of State variations in Medicaid enrollment policy and implementation regimes on Medicaid coverage and expenditures. The three State policy regimes compared include: (1) automatic enrollment of SSI awardees; (2) requiring a separate Medicaid application in "Criteria States"; and (3) more restrictive Medicaid eligibility requirements in "209B States." Coe and Rupp (2013) analyzes whether disability benefit recipients (SSDI and SSI) in States with easier access to health insurance will be more likely to work and exit from SSDI and/or SSI than their peers in States where health insurance is more difficult to access.

Wamhoff and Wiseman (2005/2006) examines the financial consequences of Temporary Assistance for Needy Families (TANF)-to-SSI transfers and develops new estimates of both the prevalence of receipt of SSI benefits among families receiving cash assistance from TANF and the proportion of new SSI awards that go to adults and children residing in families receiving TANF-related benefits. Trenkamp and Wiseman (2007) addresses the connections between the SSI and Food Stamp programs. Meijer, Karoly, and



Michaud (2009, 2010) analyzes eligibility for the Medicare Part D Low Income Subsidy, which relies on a simplified SSI methodology.

A number of studies utilize the NSCF to focus on children and young adults receiving SSI. Rupp et al. (2005/2006) presents highlights from the survey characterizing SSI children with disabilities and their families. Hemmeter (2011) analyzes the unmet health care needs of SSI children after the age-18 redetermination. Additional research studies employment and caregiving patterns of parents of SSI children (Rupp and Ressler 2009), examines employment and program outcomes among young adults after their eligibility redetermination at age 18 (Hemmeter, Kauff, and Wittenburg 2009), and analyzes factors affecting out-of-pocket medical expenses and unmet health care needs of disabled children (DeCesaro and Hemmeter 2009). These papers appear in a special issue of the *Journal of Vocational Rehabilitation* (volume 30, number 3, 2009) devoted to SSI children and young adults and the transition to adulthood. The special issue also includes a paper that introduces the issue and examines the life-cycle human capital development and longer-term SSI and earnings outcomes of SSI youth as they transition to adulthood (Davies, Rupp, and Wittenburg 2009), as well as two papers that focus on SSA's Youth Transition Demonstration (YTD) (Fraker and Rangarajan 2009; Luecking and Wittenburg 2009). The articles from the special issue are available on SSA's web site at [www.socialsecurity.gov/policy/JVR.html](http://www.socialsecurity.gov/policy/JVR.html). Camacho and Hemmeter (2013) summarize the findings from two earlier YTD projects.

#### ***d. Evaluation of the Ticket to Work Program***

The Ticket to Work and Work Incentives Improvement Act of 1999 required the Commissioner of Social Security to provide independent evaluations to assess the effectiveness of the Ticket to Work program. We conducted all Ticket to Work evaluation reports through an independent evaluation contractor, Mathematica Policy Research, Inc. Our contractor has completed the evaluation of the Ticket to Work program. There are seven Ticket to Work evaluation reports in all, and all reports are available on SSA's website at [www.socialsecurity.gov/disabilityresearch/twe\\_reports.htm](http://www.socialsecurity.gov/disabilityresearch/twe_reports.htm).

The findings through the fourth report indicated that, while the program may have significant potential, we need to improve both beneficiary awareness of the program and employment network (EN) incentives. Partly in response to these findings, we implemented new regulations for the Ticket to Work program in July 2008 to improve EN and beneficiary participation and outcomes. The fifth and sixth reports consist of studies focused on the employment efforts of working-age SSI recipients and SSDI beneficiaries, and on the Social Security work incentives and supports designed to encourage their employment. The seventh (final) report focused primarily on the overall success of the Ticket to Work program and on the effect of the changes to the Ticket to Work regulations in 2008.

Overall, the Ticket to Work evaluation finds that beneficiaries who use Ticket to Work generally like the program, that the program has increased use of return-to-work services, and those who participate in Ticket to Work have better outcomes than those who return to work without the help of SSA-financed employment services. However, we also find that the increase in service use and better outcomes by participants has not translated into net increases in benefit suspension or termination for work or an increase in the number of months spent in suspension or termination for work. This suggests that Ticket to Work has primarily extended the types of services that were available under the program that preceded Ticket to Work, where services were offered only through State vocational rehabilitation agencies, and has achieved the same level of success as before Ticket to Work. More beneficiaries are getting these services now, but the success rate has not measurably changed.

The Ticket to Work evaluation has also produced two by-products that will continue beyond the end of our specific evaluation efforts for the Ticket to Work program. One of the foundations of the evaluation was an annual research file, the Disability Analysis File (DAF), previously called the Ticket Research File, which

contains the agency's disparate administrative data resources for all beneficiaries age 10 to full retirement age who have received disability cash benefits from the SSI; Old-Age, Survivors, and Disability Insurance (OASDI); or both programs since 1996. We initially produced the DAF to support the Ticket to Work evaluation, and researchers now use it for a wide array of disability-related research.

A second foundation of the Ticket to Work evaluation was the National Beneficiary Survey (NBS). In the NBS, we collected information that is not available from our administrative records from a representative sample of SSI and OASDI disability beneficiaries. Key items of interest in the NBS include work attitudes and work-related activities, health and functional status, education, access to health insurance, household composition, and sources of income. We implemented the first four rounds between 2004 and 2010, with a particular focus on participation in the Ticket to Work program. We will conduct three additional rounds in 2015, 2017, and 2019 with a broader focus on all SSA beneficiaries who work.

Other researchers and policy analysts within SSA and at other Federal agencies and academic institutions use the DAF and the NBS for general disability research and analysis not limited to Ticket to Work program participants. Examples of these papers include: interactions between SSDI and SSI for new beneficiaries with disabilities (Rupp and Riley 2011); the differences in employment outcomes between young participants (ages 18 to 30) with psychiatric disabilities versus young participants with other disabilities (Schimmel, Liu, and Croake 2012); the impact of workplace injuries on receipt of SSDI benefits (O'Leary et al. 2012); and work activities and employment outcomes for our beneficiaries with disabilities in seven articles in a special issue of the *Social Security Bulletin* (volume 71, number 3, 2011).

***e. Homeless Outreach Projects and Evaluation***

In 2004, through the Homeless Outreach Project (HOPE), we awarded funds to 41 service providers nationwide to provide outreach services to people who are homeless. We trained these service providers so they could help individuals who are homeless with our disability application process. In October 2007, Westat, the evaluation contractor, released the final evaluation report. We are currently conducting a longitudinal evaluation of HOPE. Findings from this analysis will be available in 2014.

***f. Youth Transition Demonstration***

The YTD established partnerships to improve employment outcomes for youths age 14-25 who receive (or could receive) SSI or OASDI payments based on their own disability. The YTD projects included service delivery systems and a broad array of services and supports to assist youth with disabilities in their transition from school to employment and to help them gain economic self-sufficiency.

YTD began in 2003, with seven projects in six States. In 2007, we piloted new projects in five States, choosing three new projects in Florida, Maryland, and West Virginia. These three projects joined three (Colorado; Bronx County, New York; and Erie County, New York) of the original seven projects in a random assignment study. This study will produce the first evaluation of the empirical evidence of the effects of youth transition programs and modified SSI work incentives.

The modified SSI program rules that we tested under the YTD included five program waivers.

- Despite the finding of a continuing disability review or an age-18 medical redetermination that an individual is no longer eligible for benefits, we continued paying benefits for as long as the individual continued to be a YTD participant.
- The student earned income exclusion (section 1612(b)(1) of the Social Security Act (Act)), which normally applies only to students who are age 21 or younger, applied to all participants who met school attendance requirements.

- The general earned-income exclusions (section 1612(b)(4) of the Act) permit the exclusion of \$65 plus half of what an individual earns in excess of \$65. For the YTD, we excluded the first \$65 plus three-fourths of any additional earnings.
- We extended the SSI program's treatment of federally supported Individual Development Accounts (IDA) to IDAs that do not involve Federal funds.
- Ordinarily, a plan to achieve self-support (PASS) must specify an employment goal that refers to getting a particular kind of job or starting a particular business. For the YTD, we approved an otherwise satisfactory PASS that had either career exploration or postsecondary education as its goal. Income and assets that an individual used for PASS expenses did not count when we determined SSI eligibility and payment amount.

The YTD projects in Colorado and New York ended in 2010. The Florida, Maryland, and West Virginia projects ended in 2012. We have released the 12-month, post-random-assignment reports for all the sites to the public. We published a 24-month, post-random-assignment report covering all the sites in the February 2014 edition of the *Social Security Bulletin* (Hemmeter 2014). A comprehensive final report of the six random assignment projects is due in August 2014.

While it is too early to determine the final outcomes of YTD, preliminary results show some promise of increased earnings and employment. Florida and West Virginia show positive impacts on paid employment during the year after participants entered the evaluation. In Florida, 23 percent of participants in the program group worked for pay during that year, compared with just 13 percent of control group members. In West Virginia, 43 percent of program group members worked for pay, compared with 24 percent of control group members.

The Florida, West Virginia, and Bronx, New York YTD programs had positive effects on participant income. Program group members in Florida earned an average of \$895 during the year after they entered the evaluation, which was \$306 more than control group members earned, a difference of about 52 percent. Participants in the West Virginia program group earned an average of \$1,559 in the year after they entered the evaluation, which was just over 50 percent more than the \$1,035 earned by control group members.

Several youths took advantage of the modified program rules (listed in bullets above); however, these were generally limited to the rules that were automatically applied if a youth worked (\$3-for-\$4 earned income exclusion) or participated in the project. Given the patterns of use, program waivers are unlikely to be a significant factor in the return-to-work effort for youth.

Our findings from YTD influenced the development of Promoting Readiness of Minors in SSI (PROMISE) project, a joint initiative of SSA and the Departments of Education, Health and Human Services, and Labor that funds model demonstration projects in several States to promote positive outcomes for children with disabilities who receive SSI and their families (described in section j).

### ***g. Temporary Assistance for Needy Families/Supplemental Security Income Disability Transition Project***

Both welfare agencies and the SSI program seek to support low-income people with disabilities and help them become more independent. However, the two systems often have differing missions and organization, definitions of disability, operational and financial issues, and work rules and incentives, making it challenging for the TANF and SSI programs to work together. TANF clients who apply for SSI may confront conflicting messages from TANF agencies regarding work requirements and benefit eligibility. The Government Accountability Office (GAO) and Social Security Advisory Board recommended that we

work with the Administration for Children and Families (ACF) to address serious concerns in Congress among stakeholders that the TANF and SSI lacked the coordination necessary to serve the public effectively and efficiently.

In response to these concerns and to improve our understanding of the relationship between the TANF and SSI populations and programs, our Office of Research, Demonstration, and Employment Support and ACF launched the TANF-SSI Disability Transition Project in October 2008. Working with ACF, TANF agencies in California, Florida, Michigan, Minnesota, and New York, select counties in these States, and the evaluation firm MDRC, we analyzed program data and examined State and county program coordination, and pilot-testing program innovations for TANF clients with disabilities. SSA, ACF, TANF agencies, and low-income individuals with disabilities and their families would benefit from more effective and efficient services—moving toward employment when possible, making informed decisions about applying for SSI, receiving SSI as quickly as possible if eligible, and reducing administrative costs.

Our analysis of merged TANF and SSI administrative data and field assessments in seven sites identified the following:

- The overlap between the TANF and SSI populations is not large. Less than 4 percent of SSI applications in fiscal year 2007 received TANF at some point during the year prior to their SSI application.
- There is little formal coordination between TANF and us, and the coordination is often informal, locally based, and driven by personal relationships. Most TANF staff members know little about our disability determination process.
- There is no evidence that TANF agencies are inappropriately pushing TANF recipients to SSI. Despite the current low level of coordination between TANF and us, TANF recipients who apply for SSI are equally likely to be awarded benefits when compared to SSI applicants who are not TANF recipients.

We pilot-tested programmatic innovations in three States, revealing two main findings:

- Providing an array of co-located services targeting TANF recipients with disabilities increased employment and earnings. By receiving co-located mental health services, health care services, and employment services adhering to the Integrated Placement and Support model, a small pilot treatment group had a 75 percent increase in earnings over a control group over a 1-year period.
- Improving the level of coordination and communication between a TANF agency and SSA did not result in substantial improvements in SSI applications. Disability determination services staff provided training and feedback to Los Angeles County TANF staff assisting TANF recipients with the development of SSI applications, but there was no significant improvement in the quality of the applications or award rate.

On December 31, 2013, the project concluded with final reports on data analysis, program coordination, pilot test observations, and options for a larger demonstration project that builds on these findings (Barden 2013, Farrell 2013, Farrell et al. 2013, Farrell and Walter 2013, Pardoe 2013, Skemer and Bayes 2013).

#### ***h. Occupational Information System***

To determine whether disability applicants qualify for benefits, our adjudicators follow a sequential five-step evaluation process. At steps four and five, we require information about work in the national economy to determine whether claimants' impairment-related limitations would prevent them from working. The majority of our claims are decided at steps four and five. Currently, we base these medical-vocational decisions on the occupational information found in the Department of Labor's (DOL) Dictionary of Occu-

pational Titles (DOT) and its companion volume, the Selected Characteristics of Occupations. Although DOL did not design the DOT for our use, we adapted our disability program to it by incorporating many of its concepts and definitions into our regulations and policy. DOL, however, stopped updating the DOT in 1991 and replaced it with the Occupational Information Network (O\*NET), which we are not able to use in our disability adjudication process without significant modifications. Neither the outdated DOT nor O\*NET can effectively and efficiently meet our disability adjudication needs. We also could not identify any other existing Occupational Information System (OIS) that would meet our unique needs.

In July 2012, we signed an interagency agreement with the Bureau of Labor Statistics (BLS) to test the feasibility of using the National Compensation Survey (NCS) platform to collect updated occupational information similar to what our adjudicators currently use. We approached the BLS because the field economists working on the NCS were already collecting information about occupations that was conceptually close to what we need. Under our agreement, the BLS will collect information about the physical, skill, and mental/cognitive requirements of occupations as well as the environmental factors to which workers are exposed. This information will support our current disability policy and will provide us with data about work in the current economy to inform future policy. Initially BLS will aggregate occupational data using the O\*NET classification system.

We signed additional agreements with the BLS for fiscal years 2013 and 2014 to continue testing. In fiscal year 2013, the BLS conducted data collection testing in three phases. After each test phase, the BLS reported results to us, and we worked together to improve the survey and protocols. We expect to continue testing in fiscal year 2014 to resolve outstanding issues identified in fiscal year 2013 and to test collecting new data elements that describe the mental demands of occupations. The BLS will conclude fiscal year 2014 testing by performing a large-scale preproduction data collection test that will end in fiscal year 2015. The BLS will design a sampling plan and we will need to develop a plan for updating our occupation descriptions.

In 2013, we met periodically with DOL's Employment and Training Administration (ETA) to discuss whether it is possible to incorporate elements of O\*NET with the data collected by the BLS for use in our OIS. We have discussed the possibility of using the O\*NET Internet portal to house our OIS, and ETA staff have helped us understand the options available to us for funding our information technology platform. During fiscal year 2014 we will explore these options in depth, and in fiscal year 2015 we will begin developing the web-based platform to house the OIS. We will continue working with ETA during the coming year.

#### *i. Homeless with Schizophrenia Presumptive Disability Pilot Demonstration*

The goal of the Homeless with Schizophrenia Presumptive Disability (HSPD) Pilot Demonstration is to improve the economic well-being of adult SSI applicants who are both homeless and diagnosed with schizophrenia or schizoaffective disorder. We partnered with clinicians and case managers in California from the Health Services Agencies of San Francisco and Santa Cruz counties, the Department of Public Health of the City of San Francisco, and the Department of Mental Health of Los Angeles County, who are actively assisting their clients to navigate the SSI application process and have established relationships with patients diagnosed with schizophrenia and schizoaffective disorder who are also homeless. There are two main features of the project: (1) the SSI application assistance; and (2) the use of presumptive disability (PD). The clinicians and case managers assist these individuals with gathering supporting medical evidence, coordinating medical appointments, and submitting the SSI application. Along with the SSI application, a Presumptive Disability Recommendation Form, created for this pilot demonstration, is also submitted. Clinicians from the community agencies certify that the applicant meets the SSA criteria for a diagnosis of schizophrenia or schizoaffective disorder. To provide economic relief to the applicant while we process the application, we pay up to 6 months of SSI payments to the applicant based on PD. Appli-

cants are not required to pay back these payments if we ultimately deny their applications, as long as we did not deny the applications for non-medical reasons; therefore, there must be a high degree of probability that the applicant is disabled when we confer PD SSI payments. Our field offices generally make PD findings only for specific disability categories, which do not include schizophrenia or schizoaffective disorder.

Project implementation began in April 2012, with a goal of recruiting at least 200 participants. We met this enrollment goal and completed the implementation phase in April 2014. The community partners identified 259 individuals to assist through the SSI application process. As of May 5, 2014, we approved 237 of these applicants, denied 7, and 15 are pending. We are subsequently moving to the evaluation phase of the demonstration.

In our evaluation, we will examine whether the program improves the administration of the SSI application and determination process. The evaluation is based on a quasi-experimental design, in which we will compare outcomes for applicants who receive assistance and PD payments with applicants from a previous period and applicants in surrounding areas. Within this framework, we plan to examine differences in initial allowance rates, appeals, failure-to-cooperate denials, processing times, total payments, exits from SSI, mortality, and the need for consultative exams. We expect to complete the evaluation by December 2014.

***j. Promoting Readiness of Minors in SSI***

PROMISE is a joint project between SSA and the Departments of Education (ED), Labor, and Health and Human Services. The goals of the project are to improve the provision and coordination of services and supports for children with disabilities who receive SSI and their families in order to achieve improved education and employment outcomes. The targeted outcomes include completing postsecondary education and job training to obtain competitive employment in an integrated setting that may result in long-term reductions in the child recipient's reliance on SSI. In 2013, ED funded model demonstration projects in five individual States (Arkansas, California, Maryland, New York, and Wisconsin) and one consortium of States (Arizona, Colorado, Montana, North Dakota, South Dakota, and Utah) for 5 years. SSA is responsible for evaluating PROMISE.

Each PROMISE project will enroll 2,000 youths; youths ages 14-16 are eligible and will be randomly assigned to a treatment or control group within each project. Each PROMISE project will provide youths randomly assigned into the treatment group services including: case management; benefits counseling; career and work-based learning experiences; and parent/guardian training and information. Youths randomly assigned to a control group will receive the services usually available in their communities.

The PROMISE evaluation will include process, impact, and cost-benefit analyses. Enrollment began in April 2014 and will continue through April 2016. Services will continue through late 2018. The first evaluation reports (on the process analyses and short-term impacts) will be available in late 2016. The final evaluation report (on the longer-term impacts and cost-benefit analyses) will be available in 2022.

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## H. GLOSSARY

**Administrative Expenses (or Costs).** Expenses incurred by the Social Security Administration (SSA) in administering the Supplemental Security Income (SSI) program. The Department of the Treasury (Treasury) initially pays such administrative expenses from the Old-Age and Survivors, Insurance and Disability Insurance Trust Funds as provided in section 201(g)(1) of the Social Security Act (Act). Treasury subsequently reimburses the trust funds for such expenditures, including any interest lost, from the General Fund of the Treasury.

**Affidavit of Support.** A contract under which a United States citizen or legal resident agrees to provide support to maintain (i.e., to sponsor) an immigrant as a condition of the immigrant's admission into the United States.

**Aged.** Individuals aged 65 or older.

**Aid—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD).** The former Federal-State programs of adult cash assistance under titles I, X, and XVI respectively. The SSI program replaced these programs in the 50 States and the District of Columbia in 1974. The United States Department of Health and Human Services administers these programs in Guam, the Virgin Islands, and Puerto Rico.

**Alien Lawfully Admitted for Permanent Residence.** A noncitizen lawfully accorded the privilege of residing permanently in the United States. Such individuals may obtain immigrant visas overseas from the Department of State or be adjusted to permanent resident status while living in the United States by the U.S. Citizenship and Immigration Services (USCIS).

**Appeal Rights Process.** Includes administrative appeals and judicial review. The administrative review process followed by SSA in determining an individual's rights under the Act typically consists of several steps: (1) reconsideration; (2) hearings; and (3) Appeals Council review. Individuals dissatisfied with the outcome of the administrative review process may request judicial review by filing a complaint in the U.S. District Court. Each step in the process must be requested within certain time periods. SSA introduced a modification of this process in 10 States for disability applications filed October 1, 1999 and later. Under this revised process, claimants file appeals of initial disability denials directly with the Office of Disability Adjudication and Review, thereby eliminating the reconsideration step. The options for appeal beyond the hearing level are unchanged.

**Assistance Based on Need.** Assistance provided by certain programs which use income as a factor of eligibility. The assistance must be funded wholly by a State, a political subdivision of a State, or a combination of such jurisdictions.

**Assumptions.** Values relating to future trends in certain key factors that affect the eligibility for SSI benefits and the level of such SSI payments. Demographic assumptions include fertility, mortality, net immigration, marriage, and divorce. Economic assumptions include unemployment rates, average earnings, inflation, interest rates, and productivity. Program-specific assumptions include rates of application for and new receipt of various SSI benefits and rates of termination of SSI benefits. The assumptions underlying the projections presented in this report are consistent with the intermediate assumptions of the 2014 Old-Age, Survivors, and Disability Insurance (OASDI) Trustees Report.

**Asylee.** A noncitizen already in the United States or at a port of entry who is granted asylum in the United States. Asylum may be granted to an individual who is unable or unwilling to return to his or her country of nationality or to seek the protection of that country because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group, or political opinion.



**Attendant Care Services.** Services (including personal care assistance) paid for from Federal, State or local funds and provided by a paid attendant required to assist with work-related or personal functions.

**Automatic Cost-of-Living Increase.** The annual increase in SSI Federal benefit rates (FBR), effective for January of the current year, which reflects the change in the cost of living. In general, the benefit increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) measured from the third quarter of the previous year to the third quarter of the current year. If there is no increase in the CPI-W, there is no cost-of-living benefit increase.

**Award.** An administrative determination that an individual is eligible for an SSI benefit.

**Blind.** For purposes of the SSI program, the law considers an individual to be blind if he or she has 20/200 or less vision in the better eye with the use of a correcting lens, has tunnel vision of 20 degrees or less, or met the October 1972 State definition of blindness and received benefits under the State's former program of Aid to the Blind in December 1973.

**Blind Work Expenses (BWE).** Any expenses incurred by a blind individual that are reasonably attributable to earning income. The BWE provision permits the exclusion of these expenses from the earned income of a blind individual. (See "Impairment-Related Work Expenses (IRWE)" for the related exclusions for disabled individuals.)

**Burial Funds.** A comprehensive term that for SSI purposes includes revocable burial contracts, trusts and other burial arrangements (including amounts paid on installment sales contracts for burial spaces), cash, accounts, or other financial instruments with a definite cash value clearly designated for the individual's burial expenses.

**Child.** A blind or disabled individual who is neither married nor the head of household and who is: (1) under age 18; or (2) under the age of 22 and a student regularly attending a school, college or university, or a course of vocational or technical training designed to prepare him or her for gainful employment. A child 18 or older is subject to the adult definition of disability and is not subject to parental deeming.

**Comparable Severity.** The phrase in the Act that defined disability for children prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). Under prior law, an individual under age 18 would have been considered disabled if he or she had an impairment of comparable severity to one that would disable an adult.

**CPI-Indexed Dollars.** Dollar amounts adjusted by the Consumer Price Index (CPI) to the value of the dollar in a particular year.

**Consumer Price Index (CPI).** An official measure of inflation in consumer prices. In this report, all references to the CPI relate to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The Bureau of Labor Statistics, Department of Labor, publishes historical values for the CPI-W.

**Continuing Disability Review (CDR).** An evaluation of an individual's impairment(s) to determine whether the person is still disabled within the meaning of the law for purposes of eligibility for SSI and OASDI benefits.

**Cost-of-Living Adjustment (COLA).** See "Automatic Cost-of-Living Increase."

**Countable Income.** An individual's income less all applicable exclusions. This amount is an important factor in SSI eligibility and payment amount determination.

**Countable Resources.** The amount of resources after all exclusions. This amount is an important factor in an individual's or couple's SSI eligibility determination. A resource may be cash or other liquid assets or any real or personal property that an individual (or his or her spouse) owns and could convert to cash to be used for support and maintenance. Title XVI stipulates what items are to be excluded from resources.

**Current Dollars.** Amounts expressed in nominal dollars with no adjustment for inflationary changes in the value of the dollar over time.

**Current-Payment Status.** Status of an SSI recipient when we pay a benefit to that person for a given month. SSI benefits for a month are usually payable on the first day of that month.

**Dedicated Account.** An account in a financial institution established for a disabled or blind child to contain retroactive SSI payments that exceed six times the FBR plus State supplementation (certain smaller retroactive payments may be placed in the account once it is established). Representative payees may only use dedicated account funds for the following allowable expenses:

- Education or job skills training;
- Personal needs assistance;
- Special equipment or housing modifications;
- Medical treatment;
- Therapy or rehabilitation; or
- Other items or services that the Commissioner deems appropriate—

provided that the expense benefits the child and, in the case of the last five items, is related to the child's impairment. A representative payee must repay money from a dedicated account that is knowingly spent on items or services that are not allowable. We exclude these accounts from resources and the interest earned is excluded from income.

**Deeming.** The process by which we consider the income and resources of an ineligible individual to be available to a recipient when determining eligibility or payment amount. Deeming applies only between:

- The living-with ineligible spouse and the eligible spouse;
- The living-with ineligible parent(s) and eligible child(ren) under age 18; and
- The immigration sponsors of some noncitizens and the noncitizen(s).

**Demographic Assumptions.** See "Assumptions."

**Direct Express® Debit Card.** Direct Express® is a low-cost prepaid debit card program sponsored by Treasury that is available to OASDI and SSI beneficiaries through Comerica Bank. Beneficiaries can access their OASDI and SSI benefits by making purchases, paying bills, and getting cash at thousands of Automatic Teller Machines (ATM) and retail locations using the Direct Express® debit card.

**Disability.** For individuals aged 18 or older, the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. An individual under age 18 must have a medically determinable physical or mental impairment that results in marked and severe functional limitations and that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months.

**Disability Determination Services (DDS).** Federally funded State agencies that make disability determinations for SSA.

**Disaster Assistance.** Assistance from Federal programs and agencies, joint Federal and State programs, State or local government programs, and private organizations (e.g., the Red Cross) provided to victims of a Presidentially declared disaster.

**Disposal of Resources for Less Than Fair Market Value.** Transferring resources, either liquid, real, or personal property, for less than the resources are worth.

**Earned Income.** For SSI purposes, we consider wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services rendered to be earned income. The distinction between earned and unearned income is significant because we apply more generous exclusions to earned income.

**Earned Income Exclusion.** The first \$65 of a recipient's monthly earnings and one-half of the earnings in excess of \$65 are excluded in computing an SSI benefit.

**Earned Income Tax Credit (EITC).** A special tax credit that reduces the Federal tax liability of certain low-income working taxpayers. This tax credit may or may not result in a payment to the taxpayer.

**Economic Assumptions.** See "Assumptions."

**Effective Date of Application.** An application for SSI benefits is effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later.

**Electronic Transfer Account (ETA).** A low-cost account, available at participating financial institutions, for recipients of certain Federal payments. Once a recipient opens an ETA, his or her Federal payment will be directly deposited into that account.

**Eligible Couple.** Two persons married and living together in the same household or living together as married, both being aged, blind, or disabled and meeting all qualifications, including filing an application for SSI.

**Eligible Individual.** An aged, blind or disabled person who meets all the requirements for eligibility under the SSI program, including filing an application.

**Emergency Advance Payments (EAP).** Special SSI payments of up to 1 month of SSI benefits that are available only at the time of initial application to those individuals who present strong evidence that they: (1) qualify for an SSI payment in the current or following month by meeting the qualifications for SSI eligibility (age, disability, blindness, citizenship or alien status as applicable); and (2) face a financial emergency due to insufficient income or resources to meet an immediate need for food, clothing, shelter or medical care. We recover from subsequent benefit payments the amount of the EAP an individual receives. If an individual who receives an EAP is found ineligible for SSI because he or she is not blind or disabled, the amount of the EAP is waived; if the individual is found ineligible for other reasons, we treat the amount of the EAP as an overpayment.

**Essential Person.** An individual whose presence in the home of an SSI recipient who was transferred from a State assistance program to SSI in January 1974 results in an increase in the FBR of the SSI recipient. The essential person must have been: (1) living in the household of the SSI recipient in December 1973 and continuously thereafter; (2) never eligible for SSI; (3) not eligible for State assistance in December 1973; and (4) taken into account when the SSI recipient's need for State assistance was determined in December 1973.

**Federal Benefit Rate (FBR).** The standard used in computing the amount of Federal SSI benefits for individuals and couples. The FBRs increase annually to reflect increases in the cost of living. (See table IV.A2.)

**Fiscal Year.** The accounting year of the U.S. Government. Since 1976, a fiscal year is the 12-month period ending September 30. For example, fiscal year 2014 began October 1, 2013 and will end September 30, 2014.

**Food Stamps.** See “Supplemental Nutrition Assistance Program (SNAP).”

**General Fund of the Treasury.** Funds held by the Treasury of the United States, other than receipts collected for a specific purpose (such as Social Security) and maintained in a separate account for that purpose.

**Gross Domestic Product (GDP).** The total dollar value of all goods and services produced by labor and property located in the United States, regardless of who supplies the labor or property.

**Home Energy Assistance.** A Federal Government block grant program that provides funds to States for energy assistance (including weatherization) to low-income households. This assistance may be provided by a variety of agencies (e.g., State or local welfare offices, community action agencies, special energy offices, etc.) and may be known by a variety of names (e.g., Low Income Home Energy Assistance Program, Project Safe, etc.).

**Household.** A group of two or more individuals who use a single dwelling unit separate from other individuals’ living units as their primary quarters for living and eating.

**Household of Another.** We consider an individual to be living in the household of another when the individual lives with others, does not own or rent the shelter, and does not pay a pro rata share of the household’s food and shelter expenses. We do not consider an individual who provides all of his or her own food, or lives in a public assistance household or in noninstitutional care, to be living in the household of another. We consider an individual who is determined to be living in the household of another to be receiving in-kind support and maintenance from that household, and we reduce his or her SSI benefit by one-third of the FBR.

**Impairment-Related Work Expenses (IRWE).** The provision that permits the exclusion from earnings of the costs of items and services needed in order for a disabled individual to work, paid for by the individual, and necessarily incurred by that individual because of a physical or mental impairment. We exclude these IRWEs from earnings when determining substantial gainful activity (SGA) or computing eligibility and ongoing SSI monthly payments. (See “Blind Work Expenses (BWE)” for the related exclusions for blind individuals.)

**Income.** See “Earned Income,” “In-Kind Income”, and “Unearned Income.”

**Individual Development Account (IDA).** A savings account that low-income individuals, including SSI recipients, may establish in order to save for purchasing a first home, meeting the costs of post-secondary education, or capitalizing a business. An individual’s deposits into an IDA receive matching funds by a sponsoring nonprofit organization, or State or local government participating in the program.

**Ineligible Spouse.** The husband or wife of an eligible individual who is not eligible for SSI benefits.

**Inflation.** An increase in the volume of money and credit relative to available goods, which results in an increase in the general price level.

**Infrequent or Irregular Income.** Income received either infrequently or irregularly that we can exclude from the determination of an individual's income. Infrequent income<sup>1</sup> is income an individual has not received more than once in a calendar quarter from a single source.<sup>2</sup> Irregular income is income that an individual could not reasonably expect to receive. In any given quarter, we exclude up to \$30 of earned (infrequent or irregular) and \$60 of unearned (infrequent or irregular) income.

**Initial Determination.** A determination SSA makes about an individual's eligibility for benefits or about any other matter that gives that person a right to further administrative or judicial review.

**In-Kind Income.** Income that is not cash, but is food or shelter or something an individual can use to obtain food, shelter, or both.

**In-Kind Support and Maintenance (ISM).** Unearned income in the form of food, shelter, or both.

**Interim Assistance Reimbursement (IAR).** The process used to reimburse a State for basic assistance provided by the State to a claimant either while the claimant's application for SSI was pending or during the period in which the claimant's SSI benefits were suspended. SSA may reimburse a State from the claimant's retroactive SSI payment if: (1) the State has an agreement with SSA to participate in IAR; (2) the claimant has given SSA written authorization to reimburse the State from the retroactive payments; and (3) we find the claimant eligible for SSI benefits or for reinstatement of his or her benefits for the same period of suspense.

**Living With.** A required condition for parent-to-child and spouse-to-spouse deeming. Deeming of income and resources occurs if an eligible child lives with his or her ineligible parent(s) or an eligible individual lives with his or her ineligible spouse.

**Maintenance-of-Effort.** See "Passalong."

**Mandatory State Supplementation.** See "State Supplementation."

**Means-Testing.** The measuring of income and resources against specified amounts as eligibility factors for certain assistance benefits. SSI is a means-tested benefit program.

**Medicaid.** The program authorized under title XIX of the Act, which provides medical assistance to certain low-income individuals and families and certain disabled and medically needy individuals. Medicaid is administered by the States with support from the Federal Government in the form of matching grants. The Federal Government provides guidelines to the States for formulating their programs. As a result of the flexibility of these guidelines, Medicaid programs vary widely among the States.

**Medicaid Facility.** A medical treatment facility such as a hospital, extended care facility, nursing home, or intermediate care facility, where Medicaid pays more than 50 percent of the cost of a person's care.

**Medical Treatment Facility.** An institution or that part of an institution licensed or otherwise approved by a Federal, State, or local government to provide inpatient medical care and services.

**Medicare.** A nationwide, federally administered health insurance program authorized in 1965 under title XVIII of the Act to cover the cost of hospitalization, medical care, and some related services for most people age 65 and over. In 1972, lawmakers extended coverage to people receiving Social Security Disability Insurance (SSDI) payments for 2 years and people with End-Stage Renal Disease. Effective July 2001, people with Amyotrophic Lateral Sclerosis became Medicare-eligible during their first 24 months of receiving SSDI payments. In 2010, people exposed to environmental health hazards within areas under a

<sup>1</sup> We modified the definition of infrequent income in final rules published on August 9, 2006 (71 FR 45375). Previously, we defined infrequent income as income not received more than once a quarter from a single source.

<sup>2</sup> Also, infrequent income is income that an individual has not received in two consecutive months, regardless of whether these payments occur in different calendar quarters.

corresponding emergency declaration became Medicare eligible. Traditional Medicare consists of two separate but coordinated programs; Hospital Insurance (HI, also known as Part A) and Supplementary Medical Insurance (SMI, also known as Part B). HI helps pay for inpatient hospital care, inpatient skilled nursing care, and hospice care. SMI helps pay for doctors' services and other medical expenses, and supplies not covered by HI. In 2006, prescription drug coverage (also known as Part D) was added. Almost all persons who are aged 65 and over or disabled and who are entitled to Part A are eligible to enroll in Part B and Part D on a voluntary basis by paying monthly premiums.

**New Recipient.** An SSI recipient in the first month of SSI payment receipt.

**Noncitizen.** An individual who is not a U.S. citizen. Also referred to in welfare and immigration law as an alien. (See "Alien Lawfully Admitted for Permanent Residence," "Asylee," "Parolee," and "Refugee.")

**Nonqualified Alien.** A noncitizen who is not in a qualified alien category for SSI eligibility purposes.

**Old-Age, Survivors, and Disability Insurance (OASDI).** The programs established under title II of the Act.

**One-Third Reduction.** The reduction of an individual's SSI payment that occurs when an individual is living in the household of another. Instead of determining the actual dollar value of in-kind support and maintenance, we count one-third of the FBR as additional income to an individual living in another person's household for a full calendar month and receiving both food and shelter from the household.

**Optional State Supplementation.** See "State Supplementation."

**Overpayment.** The payment of more than the amount due for any period, including any amounts of federally administered State supplementation payments.

**Parent.** For SSI purposes, the natural mother or father of the child, or the person who legally adopted the child, or the stepparent who lives in the same household as the child.

**Parolee.** A noncitizen who appears to be inadmissible to the inspecting U.S. Citizenship and Immigration Services (USCIS) officer but is allowed to enter the United States because of emergency humanitarian conditions or the noncitizen's entry is determined to be in the public interest. Parole does not constitute a formal admission to the United States and confers temporary admission status only, requiring parolees to leave when the conditions supporting their parole cease to exist.

**Passalong.** A requirement that States must meet in order to be eligible for Medicaid reimbursement. Any State making supplementary payments (see "State Supplementation") after June 30, 1977, must continue making such payments and must pass along any cost-of-living increase to the FBR. Two methods are available to ensure that cost-of-living increases are passed on to the recipients.

- *Payment Levels Method*—States may not lower their supplementary payment for any of the living arrangement categories below their adjusted March 1983 levels. The adjusted level is the State's March 1983 payment level minus that portion of the July 1983 increase in the FBR that was not attributable to the increase in the cost of living (i.e., \$10.30 per individual and \$15.40 per couple).
- *Total Expenditures Method*—State expenditures for supplementary payments in the current calendar year must at least equal expenditures in the preceding calendar year. If expenditures are less in the current year (shortfall), the State must increase expenditures in the next calendar year by an amount at least equal to the shortfall.

**Past-Due Benefits.** The total amount of SSI payments accumulated because of a favorable administrative or judicial determination or decision, up to but not including the month the determination is made and excluding any corresponding windfall offset amounts.

**Personal Needs Allowance.** The amount allowed for an institutionalized recipient's personal needs (currently \$30). If an SSI recipient is in a Medicaid facility, the law requires that the SSI benefit be used only for the recipient's personal needs (i.e., that the institution cannot retain the benefit in repayment of the cost of the individual's care).

**Plan to Achieve Self-Support (PASS).** A plan that permits a disabled or blind SSI recipient to set aside income (earned or unearned) or resources for a work goal. The income and resources set aside under a PASS are used to pay for goods or services needed to reach that goal, such as education, vocational training, starting a business, or purchasing work-related equipment. We exclude income and resources set aside under a PASS from SSI income and resources. SSA must approve an individual's PASS.

**Presumptive Disability or Blindness.** A finding that SSI payments may be made before SSA makes a formal determination as to whether or not the individual is disabled or blind. The individual's impairment must be apparent and meet specified criteria. In addition, the individual must meet all other requirements for eligibility. These payments may be made for no more than 6 months. The presumptive payments will not be considered overpayments if SSA later finds that the individual is not blind or disabled.

**Property Essential to Self-Support.** The real and personal property used in a trade or business, nonbusiness income-producing property and property used to produce goods or services essential to the individual's daily activities. We may exclude property essential to self-support from resources under certain conditions.

**Proration of Benefits.** The method of computing payment amounts in months in which the individual reacquires eligibility after a month or more of ineligibility. In such months, we will pay an individual's SSI benefit according to the number of days in the month that he or she is eligible, beginning with the first day in the month on which he or she meets all eligibility requirements. In order to determine the benefit payable in a prorated month SSA counts the number of days an individual is eligible in the month. We then multiply the amount of the individual's regular monthly payment by the number of days for which he or she is eligible for benefits. Finally, we divide that figure by the number of days in the month for which the benefit is being determined. The resulting amount is the amount due for the prorated month. The statute eliminated proration for months of initial eligibility for all claims filed August 22, 1996 and later.

**Public Emergency Shelter for the Homeless.** A shelter for homeless individuals that provides food, a place to sleep, and some services.

**Public Institution.** An institution operated by or controlled by the Federal Government, a State, or a political subdivision of a State, such as a city or county.

**Publicly Operated Community Residence.** A facility that provides food and shelter and some other service such as social services, help with personal living activities, training in socialization and life skills, or occasional or incidental medical or remedial care. In order to be publicly operated, it must be operated or controlled by the Federal Government, a State, or a political subdivision of a State, such as a city or county. The facility must serve no more than 16 residents and must be located in a community setting.

**Qualified Alien.** An individual who is:

- Lawfully admitted for permanent residence under the Immigration and Nationality Act (INA);
- A refugee under section 207 of the INA;
- An asylee under section 208 of the INA;
- A person whose deportation is withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or whose removal has been withheld under section 241(b)(3) of the INA;

## Glossary

- A parolee under section 212(d)(5) of the INA for at least 1 year;
- A person granted conditional entry under section 203(a)(7) of the INA as in effect prior to April 1, 1980;
- A Cuban or Haitian entrant as defined by Federal statute, including section 501(e) of the Refugee Education Assistance Act of 1980;
  - Former parolees and other aliens who became permanent residents under the Cuban Adjustment Act of 1966;
  - Aliens who became permanent residents under the provisions of the Immigration Reform and Control Act of 1986;
  - Aliens who became permanent residents under the Nicaraguan and Central American Relief Act; or
  - Aliens who became permanent residents under the Haitian Refugee Immigration Fairness Act; or
- A certain alien, or an alien parent of a child, or an alien child of a parent who:
  - Has been battered or subjected to extreme cruelty in the United States by a spouse, parent, or certain other family members the alien, parent, or child lived with;
  - Is not living in the same household with the abusive individual;
  - Has been determined to need SSI because of this abuse; and
  - Has a determination from the USCIS for a certain change in status.

**Qualifying Quarter of Earnings.** Credit for a requisite amount of earnings assigned to a calendar quarter for the purpose of determining the SSI eligibility of a lawfully admitted permanent resident.

**Quarter of Coverage.** The crediting of coverage needed for insured status under the Social Security program. In 2014, a worker receives one quarter of coverage (up to four a year) for each \$1,200 of annual earnings reported from employment or self-employment. The amount of earnings required for a quarter of coverage is subject to annual automatic increases in proportion to increases in average wages.

**Recipient.** A person who is receiving SSI payments based on an evaluation of his or her countable income and resources, age, and disability status.

**Reconsideration.** The first step in the administrative review process if an individual is dissatisfied with SSA's initial determination, unless it is 1 of 10 States that has eliminated reconsideration. See "Appeal Rights Process."

**Redetermination.** A periodic review of eligibility for SSI recipients to ensure that non-medical requirements for eligibility continue to be met and that payment levels are in the proper amount. During redeterminations we review income, resources, living arrangements and other factors. Redeterminations at age 18 also include an assessment to determine if an SSI recipient meets the adult standard of disability.

**Refugee.** A noncitizen outside of his or her country of nationality who is unable or unwilling to return to his or her country of nationality or to seek the protection of that country because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion. Unlike asylees, refugees apply for and receive this status prior to entry into the United States.



**Relocation Assistance.** A type of assistance provided to persons displaced by projects that acquire real property. Examples of types of reimbursement, allowances, and help provided are:

- Moving expenses;
- Reimbursement for losses of tangible property;
- Displacement allowances;
- Amounts required to replace a dwelling that exceed the agency's acquisition cost for the prior dwelling;
- Rental expenses for displaced tenants;
- Amounts for down payments on replacement housing for tenants who decide to buy;
- Mortgage insurance through Federal programs with waiver of requirements that borrowers must usually meet; and
- Replacement housing.

**Representative Payee.** A person who receives SSI payments on behalf of an SSI recipient. SSA will pay benefits to a representative payee on behalf of an individual 18 years old or older when it appears that such method of payment will be in the interest of the individual. A representative payee will be appointed if the individual is legally incompetent or mentally or physically incapable of managing or directing the management of his or her benefits. Also, in general, if the individual is under age 18, a representative payee will be appointed. The law and regulations require that a recipient under age 15 have a representative payee.

**Resident of a Public Institution.** An individual who can receive substantially all of his or her food and shelter while living in a public institution is considered a resident of the public institution. Generally, an individual who is a resident of a public institution throughout a month is ineligible for SSI.

**Resident of the United States.** A person who has established an actual dwelling place within the geographical limits of the United States with the intent to continue to live in the United States. (See "United States.")

**Resource.** The cash or other liquid assets or any real or personal property of an individual (or his or her spouse) that he or she could use or could convert to cash to be used for his or her support and maintenance.

**Retroactive Payments.** The SSI payments made in a month later than the month or months in which they were due.

**Retrospective Monthly Accounting.** The calculation method used in the SSI program to determine an individual's eligibility for each month. Retrospective monthly accounting has two parts: (1) an eligibility determination; and (2) a payment computation. If the individual is ineligible based on the current month's factors (including the current month's countable income), no payment is due and we make no payment. If the individual is eligible based on the current month's factors, we compute the payment. The benefit for a month is generally based on the individual's countable income in the second month prior to the current month. However, at the start of a period of eligibility or re-eligibility, we determine the amount of benefits for both the first and second months using the income received in the first month.

**Section 1619(a) Status.** The special SSI cash benefits provided to disabled individuals who lose eligibility for SSI benefits under the regular rules because they have earnings at the level ordinarily considered substantial gainful activity.

**Section 1619(b) Status.** The special SSI recipient status for Medicaid purposes provided to working disabled or blind individuals when their earnings make them ineligible for regular or special cash payments.

**SNAP.** See “Supplemental Nutrition Assistance Program (SNAP).”

**Social Security Act.** Provisions of the law governing most operations of the Social Security programs. The original Act is Public Law 74-271, enacted August 14, 1935. With subsequent amendments, the Act consists of 21 titles, of which three have been repealed. In particular five titles of the Act authorized the following programs:

- Title II of the Act authorized the OASDI program;
- Title VIII of the Act authorized special benefits for certain World War II veterans;
- Title XVI of the Act authorized the SSI program;
- Title XVIII of the Act authorized the Medicare program; and
- Title XIX of the Act authorized the Medicaid program.

**Social Security Area Population.** The population comprised of: (1) residents of the 50 States and the District of Columbia (adjusted for net census undercount); (2) civilian residents of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands; (3) Federal civilian employees and persons in the U.S. Armed Forces abroad and their dependents; (4) crew members of merchant vessels; and (5) all other U.S. citizens abroad.

**Sponsor.** An individual who has signed an affidavit of support for a noncitizen entering the country.

**State Supplementation.** The payments made by a State or one of its political subdivisions to aged, blind, or disabled individuals.

- *Administration*—The governmental unit responsible for administering State supplementation payments may be either a State or local agency, or SSA. Under State administration, the State must absorb both program benefits and administrative costs. Under Federal administration, the State is responsible for the program benefits and, for fiscal year 2014, pays a \$11.32 administrative fee for each benefit paid according to our website.
- *Mandatory Supplementation*—The supplementary payments made only to recipients converted to the SSI program from former State assistance programs at the inception of the SSI program. The law requires mandatory minimum State supplementation payments to maintain the December 1972 payment levels that these recipients received under the former State assistance programs. The law also requires States to provide the supplementation to maintain their Federal matching funds for Medicaid.
- *Optional Supplementation*—The payments made by States to help persons meet needs not fully covered by Federal SSI benefits. The State determines whether it will make a payment, to whom, and in what amount. These supplements, paid on a regular basis, are intended to cover such items as food, shelter, clothing, utilities, and other daily necessities. Some States provide optional supplementary payments to all persons eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or they may extend payments to persons ineligible for SSI because of SSI income.

**Statutory Blindness.** See “Blind.”

**Student.** An individual who is regularly attending a school, college or university, or a course of vocational or technical training designed to prepare him or her for gainful employment.

**Student Earned Income Exclusion (SEIE).** An earned income exclusion for a student under age 22 with certain limitations established by regulations. The amounts of earned income that can be excluded are subject to monthly and calendar year limits that change annually consistent with changes in the cost of living. See table V.E1 for the history of maximum monthly and calendar year exclusion amounts.

**Substantial Gainful Activity (SGA).** The level of work activity used to establish disability. A finding of disability requires that a person be unable to engage in SGA. A person who is not statutorily blind and is earning above the SGA level in a month (net of impairment-related work expenses) is ordinarily considered to be engaging in SGA. According to regulation, SSA bases yearly increases in the SGA level on increases in the national average wage base. See table V.E1 for the history of SGA level amounts.

**Supplemental Nutrition Assistance Program (SNAP).** The Department of Agriculture, under cooperative Federal-State agreements, issues SNAP benefits in the form of paper food coupons (commonly known as food stamps) and through electronic benefit transfer, to provide nutrition for low-income families. Recipients can use food stamps only to buy food at stores authorized by the Department of Agriculture to accept them. Prior to October 1, 2008, SNAP was known as the Federal Food Stamp Program.

**Supplemental Security Record (SSR).** The computerized database maintained by SSA and containing identifying information, income, resources and other eligibility factors, for all SSI recipients. The SSR includes the history of SSI payments made to an individual.

**Suspension.** An ineligibility status that causes the nonpayment of benefits for a period of anywhere from 1 to 12 months for any of a number of reasons such as income or resources over allowable levels, absence from the United States, residence in a public institution, etc. Benefits can resume without reapplication, when all requirements for entitlement are again met. Suspense that lasts more than 12 months (24 months for individuals who were made ineligible because of their spouses or parent being called to active military duty) results in a termination of the SSI record. (Once a record is terminated, reapplication is necessary.)

**TANF.** See “Temporary Assistance for Needy Families (TANF).”

**Temporary Absence.** An individual’s physical move from his or her permanent place of residence that does not constitute a change in living arrangement. In general, a temporary absence is an absence from a permanent residence that is not intended to, and does not, exceed a full calendar month.

**Temporary Assistance for Needy Families (TANF).** The State grant program of assistance for needy families established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). TANF replaced the Aid to Families with Dependent Children program.

**Termination.** For an individual, cessation of benefits, which can occur for a number of reasons, including death, medical improvement, or a period of suspension lasting longer than 12 months.

**Terminations.** As used in section IV, the total of (1) deaths while in current-payment status during a period plus (2) the number of persons during that same period moving out of payment status into suspended status less those returning to payment status from suspended status.

**Ticket to Work Program.** The Ticket to Work and Work Incentives Improvement Act of 1999 established a voluntary Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a blind or disabled beneficiary may obtain vocational rehabilitation (VR), employment and other support services from a qualified private or public provider referred to as an “employment network,” or from a State VR agency.

**Trusts.** A legal arrangement involving property and ownership interests. Generally, we consider property held in a trust to be a resource for SSI purposes if the assets of the trust could be used for the benefit of the individual or spouse.

**Unearned Income.** The income that is not earned income. Unearned income may be in cash or in-kind. Some examples of unearned income are:

- Annuities, pensions, and other periodic payments;
- Retirement and disability benefits;
- Veterans', workers', and unemployment compensation;
- Alimony and support payments;
- Dividends, interest, and certain royalties; and
- Rents.

**United States.** For purposes of the SSI program, the United States consists of the 50 States, the District of Columbia, and the Northern Mariana Islands.

**Vocational Rehabilitation (VR).** The process of restoring individuals with disabilities to full capabilities. VR services are designed to provide an individual with the training or other services that are needed to return to work, to begin working, or to enter a new line of work.

**Windfall Offset.** A provision to prevent a person from receiving monthly SSI and OASDI benefits in excess of the total amount that would have been paid if the OASDI benefits had been paid when they were due rather than retroactively.

**Work Incentives.** Provisions in the SSI program that are intended to act as incentives for disabled or blind individuals to work. Examples of work incentives under the SSI program are:

- Earned income exclusions;
- Impairment related work expenses;
- Blind work expenses;
- Plan to achieve self-support;
- Section 1619 benefits; and
- Ticket to Work program.

## **SOCIAL SECURITY ADVISORY BOARD STATEMENT**

### **ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM**

Public Law 104-193 requires that members of the Social Security Advisory Board (SSAB) be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and Congress on the Supplemental Security Income (SSI) program. We have asked the Social Security Administration (SSA) to include in this year's annual report the continuation of an issue we raised in last year's report, SSAB's concerns regarding the SSI children's program.

#### **INTRODUCTION**

In our report last year we noted that the historical record of the SSI program for children suggests that changes in its laws and in the standards governing SSI disability adjudications were motivated by public opinion as reflected in media reports, court decisions and congressional mandates. We asked the big policy questions, about defining disability and determining criteria for eligibility, about where the disability program for children should be housed, and what benefits should be provided. We recommended that SSA conduct a comprehensive review of the children's program. This year we underscore the importance of taking on this review by looking at children in the foster care system.

#### **SSI AND FOSTER CARE PROGRAMS**

Today, about 400,000 children receive foster care benefits in the United States.<sup>1</sup> There are about 1.3 million children receiving Supplemental Security Income (SSI) under the children's SSI disability program. The following briefly outlines the two programs and how they overlap.

##### **SSI Program**

Title XVI of the Social Security Act authorizes a Federal benefit that provides a monthly cash payment to low-income individuals, including children, who have a physical or mental impairment or combination of impairments that meet the Act's definition of disability, and its income and resource limitations.

##### **Disability**

Determining whether a child meets the definition of disability involves a 3 step analysis. The child must have a physical or mental impairment that results in "marked and severe functional limitations"; the child must have a condition that has lasted or is expected to last at least 12

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<sup>1</sup> Congressional Research Service. *Child Welfare: Social Security and Supplemental Security Income (SSI) Benefits for Children in Foster Care*. By Umar Moulta-Ali, Adrienne L. Fernandes-Alcantara, Emilie Stoltzfus. Report No 33855. September 2012.

[http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/2012/documents/RL33855\\_%20v3\\_gb.pdf](http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/2012/documents/RL33855_%20v3_gb.pdf) Note, the definition of child may vary from state to state and vary in age up to 20 years old.

months or result in death; and the child must not earn more than the substantial gainful activity amount or not work.<sup>2</sup>

### *Income and Resource Limitations*

In determining resource eligibility a child's income and assets must fall below program guidelines. Since children rarely have income or assets of their own, SSA uses a process called "deeming" to assign part of the value of the parent's income and assets to the child. For children in foster care, the income and assets of the family they are living with are not deemed to them in making the resource eligibility determination.

### *Overview of State/Federal Relationship in Foster Care System*

Title IV Part-E of the Social Security Act authorizes a Federal-State foster care program which authorizes Federal funding for foster care to States, Territories and Tribal Organizations,<sup>3</sup> To participate, States must have a written case plan, reviewed annually by a judge. The plan details where each child in foster care is placed and outlines the services to be provided, with the ultimate objective of finding the child a permanent home, either through reunification with the child's own family, adoption or placement with a legal guardian. Children may wait in foster care for many years until this objective is met, and some end up aging out of the system.

### *Eligibility Requirements for Partial Reimbursement Under The Social Security Act Title IV-E*

While a child is in foster care a State may seek partial reimbursement to cover the cost of the care if the child meets the income eligibility requirements under Title IV-E which is determined by looking at the family income of the home that the child has been removed from. If the child's family would have been eligible for benefits under Aid to Families with Dependent Children (AFDC) as it was in effect on July 16, 1996 then the child is eligible for benefits under Title IV-E.<sup>4</sup>

The timeframe for determining eligibility is based on either the month when a petition is filed in court to remove the child from his or her family home or the month a Voluntary Placement Agreement (VPA) is signed. From the date of the eligibility month:

- The child must have lived in the home of a specified relative within six months of the eligibility month.
- The child must be deprived of parental support.
- There must be a court order that finds: (1) continuation in his/her own home would be "contrary to the welfare of the child" and (2) reasonable efforts were made to prevent the removal of the child from his/her family or to facilitate the return of the child who has been removed.<sup>5</sup>

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<sup>2</sup> The definition of the phrase in quotation marks is given as: "... a level of severity that meets, medically equals, or functionally equals the listings." See [http://www.socialsecurity.gov/OP\\_Home/cfr20/416/416-0902.htm](http://www.socialsecurity.gov/OP_Home/cfr20/416/416-0902.htm).

<sup>3</sup> The Social Security Act, Title IV Part E *Federal Payments for Foster Care and Adoption Assistance* [http://www.ssa.gov/OP\\_Home/ssact/title04/0400.htm](http://www.ssa.gov/OP_Home/ssact/title04/0400.htm)

<sup>4</sup> AFDC rules as they existed on July 16, 1996 --- P.L. 106-169

<sup>5</sup> Child Welfare Policy Manual: 8.2B

[http://www.acf.hhs.gov/cwpm/programs/cb/laws\\_policies/laws/cwpm/policy\\_dsp.jsp?citID=32#653](http://www.acf.hhs.gov/cwpm/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=32#653)

It should be noted that without these requirements the current provision of Title IV-E federal financial support to the States on an open-ended entitlement basis may not be sustainable.

### Other Federal Funding

Other Federal sources exist to provide funding for children's programs with fewer constraints but they target other objectives. Title IV-B, the Stephanie Tubbs Jones Child Welfare Services program, allows Federal funding to offset the administrative costs related to case management, child placement, personnel training, data collection and other administrative costs, but do not directly benefit children in foster care. The Social Service Block Grant (SSBG) and the Temporary Assistance to Needy Families (TANF) grant provide funding for child welfare benefits not covered under Title IV-E. However, Title IV-E remains the largest source of funding for State foster care agencies.

Under Title IV-E, there are three expenditures for which States may request federal reimbursements; maintenance, administration and training. The reimbursement funding formula is different for each.

1. Maintenance includes room and board payments that are made to licensed foster parents, group homes and residential child care facilities, clothing expenses, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement. The Federal government will reimburse the State for 50 percent to 83 percent of the costs. The State is responsible for the balance;
2. Administration includes those activities necessary for the proper and efficient administration of the Title IV-E State plan. Examples of reimbursable administrative activities include:
  - a) Referral to services
  - b) Determination of Title IV-E eligibility
  - c) Preparation for and participation in judicial determinations
  - d) Placement of the child
  - e) Development of the case plan
  - f) Case reviews
  - g) Case management and supervision
  - h) Recruitment and licensing of foster homes and institutions
  - i) Rate setting
  - j) Costs related to data collection and reporting
  - k) Proportionate share of related agency overhead;
3. Training includes the cost of providing short and long term training at educational institutions as well as in-service training for personnel employed by or preparing for employment by the State (including a Tribal Organization) or a local public agency administering the Title IV-E State plan. It also includes training for staff in private child welfare agencies and court personnel. Training also includes the cost of short term

training for current or prospective foster, adoptive parents, and relative guardians and members of State (or tribal) licensed or approved child care institutions providing care to foster or adopted children.

#### Overlap of Title IV-E Benefits and SSI

If a child receives benefits under Title IV Part E of the Social Security Act, it will not affect the child's *eligibility* for SSI benefits, but it may affect the *amount* of the SSI benefit. SSI does not consider the Title IV-E benefit earned income (i.e., income earned in exchange for work) which would disqualify the child from SSI. Rather, the Title IV-E benefit is considered "income based on need"<sup>6</sup> which affects the SSI benefit *amount* with a dollar for dollar offset. Every Title IV-E dollar received on the child's behalf is offset from the SSI benefit. This includes the \$20.00 exclusion of unearned income which SSI allows many other beneficiaries to keep.<sup>7</sup>

There is no Federal mandate for States to screen to see if the child is eligible for SSI. In many states if the child is eligible for SSI the state can use the SSI benefit to offset its cost of caring for the child. But the state cannot receive reimbursement from both Title IV-E and SSI for one child. As described below, information exchange problems in this regard may lead to improper SSI payments in some cases.<sup>8</sup>

#### Title IV-E Waivers and its Effect on SSI

To test innovation and encourage reform, Congress has allowed the Department of Health and Human Services (HHS) to approve a set number of proposed projects from States that want to test programs that might improve outcomes for children and families. On September 30, 2011, The Federal Child and Family Services Improvement and Innovation Act (P.L. 112-34), was signed into law. It reauthorized HHS to approve up to 10 waiver demonstration projects for fiscal years 2012-2014. The approval from HHS does not provide additional money to fund proposed projects but instead waives Title IV-E's strict funding constraints. This allows states some flexibility to utilize Title IV-E funds.

Approved projects must be designed to accomplish one or more of the following goals:

- Increase permanency for all infants, children, and youth by reducing the time in foster placements when possible and promote a successful transition to adulthood for older youth;
- Increase positive outcomes for infants, children, youth, and families in their homes and communities, including tribal communities, and improve safety and well-being;
- Prevent abuse, neglect, and re-entry of infants, children and youth into foster care.<sup>9</sup>

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<sup>6</sup>Income based on need, as defined by 20 C.F.R. §416.1124(c)(12), is assistance that is provided under a program which uses income as a factor of eligibility; and which is funded wholly or partially by the federal government or a non-governmental entity.

<sup>7</sup> 20 CFR Section 416.1124c(12) [http://www.socialsecurity.gov/OP\\_Home/cfr20/416/416-1124.htm](http://www.socialsecurity.gov/OP_Home/cfr20/416/416-1124.htm) and SSA, POMS SI 00835.706.C.5 <https://secure.ssa.gov/poms.nsf/lnx/0500835706>

<sup>8</sup> SSA Office of the Inspector General. *Reduce Improper Payments and Increase Overpayment Recoveries (A-04-09-19091)*. May 26, 2009, [http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-04-09-19091\\_7.pdf](http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-04-09-19091_7.pdf)

<sup>9</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau. *Summary of IV-E child welfare waiver demonstration*. <https://cbexpress.acf.hhs.gov> See also the National



However, at least some of the waivers may inadvertently result in improper SSI payments and States may be receiving Federal funds from two sources for the same purpose. This issue was discussed in a 2009 report by the SSA's Office of the Inspector General (OIG) which noted that when the Department of Health and Human Services (HHS) awarded a 5-year waiver to Florida in 2006, it exempted the detailed reporting requirements for Title IV-E expenditures.<sup>10</sup> This lack of detail made it difficult for SSA to determine if the State was receiving money under Title IV-E and, thus, whether the SSI payment to the child should be offset. The issue was resolved when SSA instructed field offices to verify the foster care funding source with the Florida Department of Children and Families (DCF). If Florida's DCF asserted that State funds reimbursed the child's foster care maintenance costs, rather than Title IV-E funds, then SSA would not consider the foster care benefits as income and SSI benefits would not be subject to offset. The OIG report noted that it did not believe that Florida's accounting system provided enough detail to confirm its assertion, and moreover, several other States, Indiana, Ohio, Oregon and California were also participating in the same waiver program.

### **THE CHILDREN IN FOSTER CARE**

#### **Health Issues of Children in Foster Care and Young Adults**

SSI provides financial support to adults and children with disabilities who meet the definition and income and resource limitations. Some SSI program costs could be reduced through proactive measures. Redirecting federal non-SSI support payments to states toward "early intervention" initiatives – to prepare those who age out of government support programs for a self-sufficient and self-determined life style – would help to minimize federal SSI expenditures on young adults with physical and mental impairments while assisting them to transition successfully toward a fulfilling adult lifetime. A case in point is foster care children, especially those who, today, age out of the program without adequate preparation.

Children arriving into the foster care system are often in crisis. This population is especially disadvantaged – with a high likelihood of chronic physical, emotional, and developmental conditions because of cumulative adverse life events. Studies profiling the health of children after entering the foster care system show high prevalence of medical problems and behavioral health conditions that if not adequately treated are likely to continue during adulthood:

In congressional testimony before the Ways and Means committee, Dr. David Rubin, Assistant Professor of Pediatrics at the University of Pennsylvania, School of Medicine, testified;

- Several decades of research has firmly established that the health care needs of children in out-of-home care far exceed other children living in poverty. Nearly half of all children

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Conference of State Legislators <http://www.ncsl.org/research/human-services/child-welfare-title-ive-waiver-2012-thru-2014.aspx>

<sup>10</sup> SSA Office of the Inspector General. *Reduce Improper Payments and Increase Overpayment Recoveries (A-04-09-19091)*. May 26, 2009, [http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-04-09-19091\\_7.pdf](http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-04-09-19091_7.pdf)

in foster care have chronic medical problems, and up to 80% have serious emotional problems.”<sup>11</sup>

Many foster care children who are not placed in a permanent home, age out of the system and find themselves without any supports or life skills to succeed. The transition to adulthood and self-sufficiency is challenging for such individuals. They may have questions about renting their first apartment, purchasing a car, going to college, managing expenses, and navigating all the paperwork required for insurance or taxes but they do not have access to the support networks who can help them.

- A Northwest Foster Care Alumni Study noted that alumni from foster care were six times more likely to suffer post-traumatic stress disorder, four times more likely to turn to substance abuse, twice as likely to experience depression, and more than two-and-a-half times more likely to be diagnosed with an anxiety disorder.<sup>12</sup>

The key support that many young adults would benefit from is counseling on how they could adapt despite health impairments and strive to successfully exit from government supports.

To compound these problems, some foster care alumni discover that their social security number (SSN) has been wrongfully used and their credit ruined while they were in the foster care system.

- An OIG audit report found potential misuse of foster-care children’s SSNs for work, credit or other purposes: Of the 96,000 children in the population studied the credit reporting agency estimated that over 4900 (5 percent) had credit files that contained evidence of misuse of SSNs.<sup>13</sup>

Repairing credit problems can be a complex, expensive, and time-consuming process and children exiting foster care need assistance getting negative items on their credit report removed.<sup>14</sup> Such problems can severely impede transition toward a normal and productive adulthood.

But in many cases, such problems may be preventable, and dependency on SSI and other welfare programs could be minimized if foster-care support systems target individuals for providing assistance in acquiring life- and job-skills, provide counseling, and ensure access to support networks to pro-actively minimize problems and prepare them for life after foster care. Thus, while additional discussion about how to improve SSI eligibility, financial constraints, and

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<sup>11</sup>Testimony of David Rubin, MD MSCE FAAP, House Ways and Means Subcommittee on Income Security and Family Support hearing Foster Children and the Health Care System, July, 2007, available at: <http://stoneleighfoundation.org/content/foster-children-and-health-care-system>.

<sup>12</sup> Pecora P, Kessler R, Williams J, et al. *Improving Family Foster Care: Finding from the Northwest Foster Care Alumni Study*. Seattle, WA: Casey Family Programs, 2005. Available at [http://www.casey.org/media/AlumniStudies\\_NW\\_Report\\_FR.pdf](http://www.casey.org/media/AlumniStudies_NW_Report_FR.pdf)

<sup>13</sup> See OIG report A-08-12-11253 Potential Misuse of Foster Children’s Social Security Numbers, September 2013, see also *The Fleecing of Foster Children How We Confiscate Their Assets and Undermine Their Financial Security*, the Children’s Advocacy Institute of the University of San Diego School of Law, (2011).

<sup>14</sup> Linda Foley, et al. *Identity Theft: The Aftermath 2009*, Identity Theft Resource Center. 2009. available at, [http://www.idtheftcenter.org/images/surveys\\_studies/Aftermath2009.pdf](http://www.idtheftcenter.org/images/surveys_studies/Aftermath2009.pdf)

benefit structure is needed, the time seems ripe for broader conversations on “early intervention” initiatives in order to reduce the likelihood of entry into SSI by children aging out of government support systems such as foster care. This perspective of the Board is consistent with SSA’s statutory role in ensuring public awareness about problems facing vulnerable populations under SSI.<sup>15</sup>

### **REPRESENTATIVE PAYEES**

The Social Security Act<sup>16</sup> specifies that SSA may assign a representative payee to a beneficiary if the agency determines that the “interest of the individual” beneficiary would be served by such an assignment.<sup>17</sup>

In the majority of cases, SSA assigns a representative payee for children who receive SSI benefits. Generally the representative payee is the biological parent, adoptive parent, or court-appointed guardian. SSA has a list of preferred payees which can be used as a guide but SSA stresses that the best interest of the beneficiary should always remain the top priority when selecting a representative payee. Applicants to become a representative payee are required to be carefully screened to ensure that the beneficiary’s best interest is served.

For minor children the order of preferred applicants are;

1. A natural or adoptive parent with custody;
2. A legal guardian;
3. A natural or adoptive parent without custody, but who shows strong concern;
4. A relative or stepparent with custody;
5. A close friend with custody who can provide for the child’s needs;
6. A relative or close friend without custody, but who demonstrates strong concern;
7. An authorized social agency or custodial institution; or
8. Anyone not listed above who shows strong concern for the child, is qualified, and able to act as payee, and who is willing to do so.<sup>18</sup>

The rules governing the responsibilities of representative payees are extensive. The representative payee must ensure that benefits are spent for the current and future use of the child, and if not used for current needs, the benefits should be saved and invested. Representative payees are required to complete an annual report explaining how benefits were used during the preceding year, and they must keep records so that an accurate accounting of benefits can be provided. Certain large retroactive SSI payments covering more than six months of benefits must be paid into a “dedicated account” in a financial institution. No other funds may be combined

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<sup>15</sup> Section 1635 of the Social Security Act (42 U.S.C. 1383d)  
[http://www.socialsecurity.gov/OP\\_Home/ssact/title16b/1635.htm](http://www.socialsecurity.gov/OP_Home/ssact/title16b/1635.htm)

<sup>16</sup> Section 1632(a)(2)(A)(I)

<sup>17</sup> The procedures and guidelines for appointing a representative payee are outlined in Social Security regulations and policy. 20 CFR §416.621 Program Operations Manual System (POMS) See also SSA website for representative payees <http://www.socialsecurity.gov/payee/faqrep.htm/NewGuide/faqrep.htm#a0=9>

<sup>18</sup> 20 CFR Section 416.621, [http://www.socialsecurity.gov/OP\\_Home/cfr20/416/416-0621.htm](http://www.socialsecurity.gov/OP_Home/cfr20/416/416-0621.htm); and POMS GN 0502.105 Payee Preference Lists <https://secure.ssa.gov/poms.nsf/lnx/0200502105>

with benefits deposited in a dedicated account. Money in a dedicated account must be used for only certain allowable expenses for the benefit of the child:

- Medical treatment and education or job skills training
- Personal needs assistance, special equipment, housing modification, and therapy or rehabilitation
- Any other item or service related to the child's disability that SSA determines to be appropriate.

Representative payees must keep a log of all withdrawals from a dedicated account and keep receipts for all expenditures for a period of at least two years.

Some advocates for children in foster care argue that SSA does not always correctly follow the representative payee appointment process and allege that State foster care agencies become a foster child's representative payee as part of a revenue maximization strategy. Such systemic practice of converting foster children's Social Security benefits into a source of State funds.<sup>19</sup> This practice was challenged in a seminal Supreme Court case, involving a minor child in foster care whose benefits were being used to reimburse the State for the cost of foster care.<sup>20</sup>

### *The Keffeler Case*

Danny Keffeler was orphaned when he was twelve years old. He was placed in foster care, but his grandmother, Wanda Pierce, was appointed representative payee when Danny was awarded Social Security benefits. Mrs. Pierce did not provide any of Danny's benefits to the State to pay for the cost of Danny's foster care, so SSA removed her as the representative payee and appointed the foster care State agency. The case eventually ended up before the United States Supreme Court.

The question before the United States Supreme Court was whether the practice of reimbursing State costs from a child's foster care benefits is a violation of § 207(a) of the Social Security Act, which states;

The right of any person to any future payment under this title shall not be transferable or assignable, at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

Twenty-six States filed briefs supporting the position of the State agency noting that the practice had been approved by SSA and arguing that barring the reimbursement practice could leave the States in a position of economic peril. The United States Supreme Court overturned the Washington State Supreme Court decision, finding that neither the agency's actions to become a

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<sup>19</sup> The Fleecing of Foster Children How We Confiscate Their Assets and Undermine Their Financial Security, Melanie Delgado, Kriste Draper, Amy Harfeld, Christina Riehl, Elisa Weichel, 2011, [http://www.caichildlaw.org/Misc/Fleecing\\_Report\\_Final\\_HR.pdf](http://www.caichildlaw.org/Misc/Fleecing_Report_Final_HR.pdf); Cardozo Law Review, *Foster Children Paying for Foster Care*, Daniel L. Hatcher, 7 Daniel L. Hatcher, *Foster Children Paying for Foster Care*, 27 CARDOZO L. REV. (2006) <http://cardozolawreview.com/Joomla1.5/content/27-4/HATCHER.WEBSITE.pdf>

<sup>20</sup>Washington State Dept. of Social and Health Services v. Guardianship Estate of Keffeler. 537 U.S. 371. Supreme Court. 2003.

representative payee for the children, nor its use of the children's Social Security benefits to reimburse State costs is the equivalent of an "execution, levy, attachment, garnishment, or other legal process," prohibited under §207(a) of the Social Security Act.

The United States Supreme Court decision has not completely settled the issue. Child Welfare advocates who oppose States acting as a representative payee and reimbursing themselves for the cost of care note that the court did not address the question of whether the reimbursement practice serves the child's "best interests."<sup>21</sup> However, other child welfare advocates believe that the SSA funds are critical for child welfare agencies operating on tight budgets and that the use of these benefits to pay for the cost of current maintenance is consistent with the Federal purpose for providing those funds. Additionally, these advocates contend that by allowing the reimbursement, States will have a vested interest in implementing procedures to screen all children coming into foster care for possible eligibility for SSI which can then provide children vital services that they might not otherwise receive. Applying for SSI benefits can be a long and complicated process which States will not become involved in without some kind of incentive. In a National Survey of Child and Adolescent Well-Being, researchers estimate that there are more than 10 percent of children and youth in foster care who are eligible for SSI but do not receive it.<sup>22</sup> SSI can provide additional security and benefits such as:

- Diagnostic evaluations completed during the application process will improve the likelihood that the child or youth will receive timely and appropriate treatment.
- SSI benefits can increase the amount of funds available to meet a child's/youth's needs, although children with a foster care maintenance payment or adoption assistance subsidy above the benefit payment will see no immediate, practical effect in receiving SSI or Social Security benefits.
- SSI benefits follow a child or youth who is returned home to a lower income biological family.
- SSI benefits can be a critical source of cash assistance and Medicaid for a youth who ages out of care and cannot be self-supporting because of a severe disability.
- SSI benefits ensure eligibility for a Federal adoption assistance subsidy if a child or youth cannot be returned to biological parents.<sup>23</sup>

Advocates that oppose the practice of States being named the representative payee and then reimbursing itself for the cost of care argue that States taking on the role of the representative payee dilutes the fiduciary responsibility owed to the beneficiary and obfuscates an otherwise clear mandate from SSA that benefits belong to the beneficiary and are not the property of the

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<sup>21</sup> The decision did not affect Keffeler who had already reached the age of majority and used the benefits his grandmother had saved for him to pay for his college education <http://www.spokesmanreview.com/news-story.asp?date=120402&ID=s1267147>

<sup>22</sup> *Estimates of Supplemental Security Income Eligibility for Children in Out-of-home Placements*. Research Brief no. 12. : National Survey of Child and Adolescent Wellbeing, 2007. available at, [http://www.acf.hhs.gov/sites/default/files/opre/est\\_suppl.pdf](http://www.acf.hhs.gov/sites/default/files/opre/est_suppl.pdf)

<sup>23</sup> O'Connor, Michael A. *A Guide to SSI and Social Security Benefits for Children and Youth in Out-of-Home Care*. Rep. Seattle: Casey Family Programs, 2001. available at, <http://www.ocfs.state.ny.us/main/publications/eligibility/29%20A%20Guide%20to%20SSI.pdf>

payee.”<sup>24</sup> These advocates also point to the potential Federal funding stream for States but note that the States are using the money to reduce State expenditures rather than as a resource to address the children’s unmet needs. These advocates also note that State agencies remain at the bottom of the payee preference list but are often automatically appointed as the payees for foster children through a process called the “kiddie loop” which is an expedited way to name a representative payee for more than one beneficiary.<sup>25</sup>

### *In Re John G*<sup>26</sup>

Advocates opposed to the State reimbursement practice point to another important case that had a different outcome than Keffeler, and note litigation strategies to differentiate future claims from the Keffeler decision.

John G. was abandoned by his parents when he was still a child. John’s step father executed a will leaving his home purchased through Habitat for Humanity in trust to his son. After spending several years with other relatives, John G. eventually became a ward of the State.

The Department of Social Services became John’s representative payee; instead of using his social security survivor’s benefits to pay the mortgage on John’s Habitat for Humanity home (\$221.00) DSS applied the entire benefit (\$538.00) towards defraying the cost of foster care (approximately \$1300.00 per month). The Habitat home, valued at approximately \$80,000 with a \$27,000 outstanding mortgage went into foreclosure. John G’s court appointed guardian representing John G’s legal interests filed a motion to protect John’s interest in his home. The court noted that John will need the Habitat home as a residence when he turns eighteen years old and ages out of the foster care system. The court ordered DSS to use a portion of John’s Social Security benefits to pay the monthly mortgage on his home, the past-due mortgage and for some needed repairs. DSS appealed, asserting that using the social security benefits for John’s current maintenance was a common and accepted practice post Keffeler. The attorney for DSS argued that the agency had no obligation to use the boy’s money to pay his mortgage. “What if he had a \$2,000 monthly mortgage? What if every kid (in foster care) wanted a car?” . . . . “It would be wonderful if all this court had to do was what’s ‘fair and decent.’”

The Appeals Court upheld the trial court’s decision and the home that John G’s stepfather left for him was protected. This case shows that Social Security benefits should be purposed toward the beneficiary’s direct interest in each and every instance rather than used to offset expenses of the representative payee that may provide indirect or marginal benefits to the intended recipient. SSA should focus more attention on these issues when deciding who to appoint as representative payees and improve the clarity of rules regarding how benefits should be used.

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<sup>24</sup> 3 Social Security Online, Frequently Asked Questions: What to Do When Someone is Unable to Handle Their Benefits (updated 12/28/2010), <http://www.socialsecurity.gov/payee/faqrep.htm#a0=4>

<sup>25</sup> POMS GN 00502.110 <https://secure.ssa.gov/poms.nsf/lnx/0200502110>

<sup>26</sup> 652 S.E. 2d 266 (2007)

## **RECOMMENDATIONS**

The Board does not make specific recommendations on how to reform the program, because even though reviewing the history of the children's program reveals that there have been many changes, there has not been a comprehensive review followed by cohesive implementation of policy. In particular, the Board believes that the SSI program needs careful review with a clear objective of serving its child beneficiaries in the most effective way possible.

This report discusses several issues: The overlap between SSI and the Title IV-E foster care program; the potential for improper payments because of how these (and, potentially, other similar) programs interact with SSI; information gaps created by waivers for Federally funded but state-run (non-SSI) welfare programs such as the foster care program; the potential for repurposing non-SSI benefits to minimize Federal SSI expenditures in the long term; and the history of alternative and potentially conflicting perspectives on program implementation stemming from court cases - especially on how SSA benefits should be allocated. The discussion suggests the need for a broad-based review of the Federal SSI program within the context of complementary Federal welfare programs. SSA's provision of clear policy guidance and oversight to ensure that its programs are being properly and consistently administered could minimize the likelihood of disputes, delays, and especially the evolution of SSA policies through individual court decisions – a recipe for creating an uncoordinated patchwork of rules and procedures that may detract from the key objective of providing direct and meaningful support to the beneficiaries themselves. The broad review that we are recommending should seek clarity in setting rules and procedures, improved data collection, closer oversight, and a process of continuing policy reviews.

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